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China Escapes U.S. Sanctions

By Keith B. Richburg
Washington Post Service

BEIJING — The United States withdrew its threat of punitive sanctions against China on Monday, pulling the two economic giants back from the brink of a potentially debilitating trade dispute, after U.S. negotiators here said they found firm evidence that a recent Chinese government crackdown on movie, music and software piracy was real.

Charlene Barshefsky, the acting U.S. trade representative, said at a late-night news conference that after marathon weekend talks with her Chinese counterparts, she was able to confirm that China had taken genuine steps over the last two weeks to curb rampant piracy, to prosecute the purveyors of pirated goods and to make it more difficult for pirates to operate in the future.

"As a result, sanctions will not be imposed," said Ms. Barshefsky, speaking at a press conference flanked by the heads of the music, movie and software industries that had pushed hard for a tough U.S. position against China.

The steps she outlined included the recent closure of 15 factories that were churning out pirated music and video disks, the confiscation of the factory machinery, heightened border controls to prevent bootleg products from being exported abroad and more access to the largely restricted Chinese market for legitimate American products.

Ms. Barshefsky also said China was starting to undertake new measures that would make it easier in the future to verify whether piracy was being curbed, such as requiring all compact disks to carry special identification codes to tell whether they were produced legitimately, regulating the importation of CD presses into China, and starting around-the-clock monitoring of legitimate CD factories to make sure

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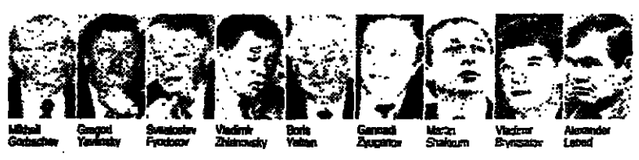
Yeltsin Starts the Dealing

He and Zyuganov Court Lebed's Supporters



Mikhail Gorbachev, Grigori Yavlinsky, Svyatoslav Fyodorov, Vladimir Zhirinovsky, Boris Yeltsin, Gennadi Zyuganov, Mircin Shakkum, Vladimir Bryntsalov, Alexander Lebed

The Russian Presidential Election

Following are the preliminary official results of the first round, with 98 percent of all votes counted. Percentage total is less than 100 percent.

	Number of votes	%		Number of votes	%
Yeltsin	25,147,036	34.82	Fyodorov	672,876	0.93
Zyuganov	23,206,245	32.13	Gorbachev	365,124	0.51
Lebed	10,627,098	14.71	Shakkum	260,897	0.36
Yavlinsky	5,349,802	7.41	Vlasov	143,777	0.20
Zhirinovsky	4,218,889	5.84	Bryntsalov	116,966	0.16

Source: Reuters

By Alessandra Stanley
New York Times Service

MOSCOW — Having squeezed past Gennadi A. Zyuganov, the Communist leader, in the first round of the presidential election, President Boris N. Yeltsin on Monday sought the endorsement of a rival candidate, Alexander Lebed, the maverick general he forced into early retirement a year ago and who now, after a surprisingly strong finish in Sunday's race, could determine the fate of Mr. Yeltsin's bid for re-election.

A high turnout is as critical to Mr. Yeltsin as the support of Mr. Lebed. Worried that his own supporters' fragile commitment could fade by the time they face yet another election next month, Mr. Yeltsin also maneuvered to move up the date of the second round to July 3, both to maintain momentum and to prevent voting from taking place on the following Sunday, a time when many Russians will want to go to their dachas rather than vote.

"No one should take it easy in the hope that everything will work out of its own accord," an unsmiling Mr. Yeltsin said in a morning television address to the nation that was aimed at keeping anti-Communist voters primed to turn out. "The choice is absolutely clear. It is either back to revolutions and upheavals, or forward to stability and prosperity."

There was certainly not a lot of room for complacency in Mr. Yeltsin's margin of victory. With 98 percent of the votes counted, the Central Election Committee issued preliminary official results: Mr. Yeltsin received 34.82 percent of the vote and Mr. Zyuganov, 32.13 percent. Mr. Lebed came in third, with 14.71 percent.

Mr. Lebed's unexpected success revealed the widespread appeal of his stern "law and order" message. But it also signaled a radical shift in the political landscape. The retired general, an Afghan war hero and ardent patriot, took votes away from the eccentric ultranationalist Vladimir V. Zhirinovsky, whose posturing and preposterous claims seem to have worn thin. The glib, outrageous politician who shocked the political world when he captured 23 percent of the vote in the 1993 parliamentary elections, won only 5.84 percent Sunday.

Mr. Lebed's image of personal rectitude and his promises to root out crime and corruption also drew many voters who once favored the liberal economist Grigori A. Yavlinsky, who received 7.41 percent of the vote.

Mr. Yavlinsky drove a hard bargain with Mr. Yeltsin during the campaign, demanding among other things, the firing of Prime Minister Viktor S. Chernomyrdin as a condition for his support; Mr. Yeltsin's aides assert that Mr. Yavlinsky also demanded to take Mr. Chernomyrdin's place. Having failed to strike a deal then, he has lost much of his leverage. His voters, mostly liberal democrats, are unlikely to vote for Mr. Zyuganov even if Mr. Yavlinsky snubs the president in the second round.

The Yeltsin campaign is nevertheless too needy right now to alienate Mr. Yavlinsky, whose support could prove helpful in corralling democrats who might be tempted not to vote. But at campaign headquarters, there is more than a touch of gloating over Mr. Yavlinsky's poor showing. Asked on election night what sort of job Mr. Yavlinsky might expect in the next Yeltsin administration, a top campaign aide smiled and said: "We have a great job for him. He can teach economics — at Harvard."

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Beth A. Keiser/The Associated Press

BULL'S-EYE! —The Chicago Bulls' coach, Phil Jackson, hugging Michael Jordan after the Bulls beat the Seattle SuperSonics, 87-75, in Game 6 for their fourth National Basketball Association championship. Page 21.

Zyuganov's Stagnant Base

Communists Failed to Build on Their Success In December and Now Face an Uphill Battle

By Lee Hockstader
Washington Post Service

MOSCOW — For Gennadi A. Zyuganov and his allies, the results of the first round of Russia's presidential election reflect a campaign that failed to expand their constituency — mainly the elderly and disaffected — that carried the Communists to a startling success in the parliamentary elections last December.

Political analysts here say that if the Communists were unable to broaden their appeal and moderate their message over the last six months, it may prove even more difficult for them to do so in time for Mr. Zyuganov to overtake President Boris N. Yeltsin in the second-round ballot early in July.

Indeed, it appears that Mr. Zyuganov's base has shrunk somewhat since December, when the Communists and their current coalition partners — Agrarians, Stalinists and a handful of smaller hard-line parties — together collected more than 36 percent of the vote.

In the vote on Sunday, Mr. Zyuganov won a bit more than 32 percent.

"Zyuganov has fallen into a trap he set himself," said Mark Urnov, head of Mr. Yeltsin's team of analysts. "He can get more votes only by appealing to moderate voters. But if he talks to them in the language of nationalism he has used so far, he repels them. And the moment he starts talking in more moderate language, he disappoints his hard-core followers. So, no matter what he does, he would push away some group of people."

That impression of a stagnant or shrinking base of support was also visible on the campaign trail. Although he traveled far and wide and gave hundreds of speeches, Mr. Zyuganov never seemed able to add younger people to his loyal and attentive audiences of wrinkled war veterans and stout grandmothers.

The problem is largely of Mr. Zyuganov's own making. He formed a coalition with some of the most entrenched and extreme foes of the government, including figures who led the brief hard-line seizure of power from Mikhail S. Gorbachev in August 1991 and the violent revolt against Mr. Yeltsin by extremist members of Parliament in October 1993.

Those figures include Viktor Anpilov, a Stalinist who rallied thousands of hard-liners to attack the main government television station during the 1993 revolt, an assault in which dozens

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U.S. Agrees to Share Nuclear Arms Secrets With France

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — France and the United States have signed a secret agreement drawing their nuclear weapons scientists into a much closer alliance so that each nation can help the other maintain its nuclear arsenal after an expected international treaty bans all test explosions, U.S. and diplomatic officials say.

In what officials said was the most novel provision of the agreement, the United States will share with France a vast amount of computer data drawn from simulated explosions of the atomic bombs at the heart of all modern U.S. warheads. Weapons information of this quality is considered so sensitive it has so far been shared with only one U.S. ally, Britain.

Washington's decision to share the data, after more than two years of negotiation with Paris, was described by one diplomatic official as a symbol of the Clinton administration's enthusiasm for President Jacques Chirac of France. Others said it is also a reflection of Washington's belief that assuring the reliability of the French strategic nuclear deterrent is in the U.S. interest.

To avoid stirring controversy or offending national pride on either side of the Atlantic, however, neither country sought any publicity. The accord was signed in Virginia on June 4 by four senior U.S. and French officials, including Harold P. Smith Jr., the Assistant to the U.S. Secretary of Defense for Atomic Energy, and Assistant Secretary of Energy Victor H. Reis.

[The French Defense Ministry on Monday confirmed signing the pact, saying it built on 1961 and 1985 agreements to share information on the "safety, security and reliability" of nuclear installations and weapons systems, Reuters reported from Paris.

["The new cooperation program refocuses these exchanges to take account of recent changes in the geopolitical situation," a ministry spokesman said.]

American officials said the goal of the accord was to prepare for the scientific challenges posed by the coming global test ban, which is meant to halt all significant development of new nuclear weapons. The test ban is in the final stage of negotiation by 37 nations in Geneva and may be approved this month.

These challenges include ensuring that existing nuclear warheads, which number more than 7,500 in the United States and around 450 in France, remain potent as their components age well beyond expected life spans. Another aim is to help ensure that these bombs cannot be detonated accidentally or seized by terrorists. Officials said the data to be

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The Sumitomo Debacle: Why Japan?

By Sheryl WuDunn
New York Times Service

TOKYO — In the last several years at least five Japanese companies have suffered huge losses from trading complex financial instruments, the most recent being Sumitomo Corp., which disclosed last week that a single copper trader had cost it $1.8 billion.

The latest stunning loss inevitably raised concerns about what other potential time bombs might be lying around on the balance sheets of Japanese companies.

Amid the gleaming office towers in Tokyo, many people are asking: Why Japan? Among the answers they hear are that Japan's regulatory mechanisms have not kept pace with the country's extraordinary economic growth and that Japanese values tend to discourage investigatory disclosures.

The investigation into Sumitomo's loss was being widened to include other companies that traded heavily with the firm. (Page 13)

"It's the Japanese mentality, the bureaucratic system that places more importance on harmony rather than reality," suggested Masao Miyamoto, a social psychologist and the author of a best-selling critique of Japan called "Straitjacket Society." His reasoning is that the Japanese are not so much more likely to make trading errors as less likely to uncover them until great damage has been done.

That happens, Mr. Miyamoto says, because institutions do not try to ferret out errors or rogue trading: "If mistakes

See REASONS, Page 7

Medicine's Counterculture

The Explosion of 'Alternative' Remedies Alarms Experts

By Gina Kolata
New York Times Service

NEW YORK — From green algae pills to coffee enemas, from acupuncture to aromatherapy, alternative medical treatments have grown into a big business and a powerful force in modern American medicine, alarming many in the U.S. medical establishment and largely escaping scrutiny from regulators.

Although folk remedies have been around for centuries, often co-existing with the treatments offered by orthodox medicine, experts say that over the last 10 years, more Americans have been turning to more kinds of alternative therapies than ever before.

A national telephone survey, published in The New England Journal of Medicine in 1993, found that one of three Americans used unconventional therapies, which can range from taking vitamin C for a cold to going to Mexican clinics for cancer treatments outlawed in the United States. The survey also found that Americans spent $13.7 billion in 1991 on such treatments.

Another national survey, published in 1994, found that 60 percent of doctors had at some time referred patients to practitioners of alternative medicine. The highly prestigious Beth Israel Hospital in Boston, which is associated with Harvard Medical School, recently set up a center for alternative medicine, as did Columbia University. And five years ago, the Federal Office of Alternative Medicine was established as part of the National Institutes of Health to provide the public with information on alternative treatments and to find out what works.

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Jim Hollander/Reuters

EYES RIGHT — Natan Sharansky, head of a party for Russian immigrants to Israel, turning as the new Knesset was seated. Page 7.

AGENDA

Mideast Visit For Christopher

WASHINGTON (AFP) — Secretary of State Warren M. Christopher will visit the Middle East next week, a State Department official said Monday.

Mr. Christopher's itinerary will include at least Israel, Egypt and Jordan, the official said. Whether he would stop in Syria was unclear.

It will be the first face-to-face contact between a member of President Bill Clinton's administration and the team of the new prime minister of Israel, Benjamin Netanyahu.

Part of his mission will be to determine if peace negotiations between Israel and Syria can go forward.

Dow Jones	Trib Index
Up 3.33	Up 0.20%
5652.78	137.56

The Dollar

New York	Mon. close	previous close
DM	1.5216	1.5275
Pound	1.5435	1.537
Yen	109.01	109.15
FF	5.1825	5.176

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Clinton on the Spot / **Will UN Secretary-General Get a 2d Term?**

U.S. Campaign Issue: Boutros Ghali

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Taking advantage of the Clinton administration's indecision over whether to support Boutros Boutros Ghali for a second term as secretary-general, congressional Republicans want to force the debate into the open and thus into a presidential political campaign where Bob Dole has already made bashing the United Nations a popular sport.

These Republicans hope to put President Bill Clinton, who is apparently ambivalent about the secretary-general, on the spot.

Administration officials once predicted a decision as early as March but have now revised that to after Labor Day, the beginning of September.

But several members of Congress say they will speak publicly about the issue in coming days and weeks in an effort to force the president's hand, and diplomatic pressures are building at the United Nations as foreign diplomats express concern over the lack of any signal from the White House about where it stands. Mr. Boutros Ghali's five-year term ends in December.

Mr. Dole has made the secretary-general a symbol of foreign interference.

Expanding on a line that was used by Pat Buchanan in his failed presidential campaign, he says in almost every speech that if he were ever to send U.S. soldiers anywhere, "I will be in charge of making that decision, not Boooutros Boooutros Ghali." Spoofing the secretary general's name guarantees a laugh and a cheer.

Mr. Clinton can hardly defend the secretary-general in the current climate without the risk of some political damage. But he is also said to be reluctant to have to choose another candidate and the sell her or him to the world.

Either way, the administration wants to avoid giving Mr. Dole the opportunity "to hang the secretary-general around our necks," in one official's words.

Administration officials also acknowledge that the United States has almost always gotten what it wants from the secretary-general, despite occasional public spats between Mr. Boutros Ghali and Madeleine K. Albright, the U.S. representative to the United Nations.

BUT IN Congress, criticism of Mr. Boutros Ghali is almost universal and bipartisan. All efforts by the secretary-general and the administration to demonstrate that the United Nations is reforming and cutting costs seem to have been unconvincing or to have fallen on deaf ears.

Some of the congressional critics see the future of the secretary-general not as strictly a partisan political issue to be exploited but rather as a symbol of a larger problem of swiftly deteriorating relations between the United States and the world organization, which the United States largely created in 1945.

In Congress many of those who criticize Mr. Boutros Ghali — an Egyptian diplomat and former government minister who played a role in the negotiations leading to the Camp David accords on the Middle East — say they respect him personally.

Even Senator Jesse Helms, the North Carolina Republican who as chairman of the Senate Foreign Relations Committee has been very dismissive of the UN system, is known to like and respect the secretary-general, an intellectual with a wide range of interests.

Instead, Mr. Helms and others portray Mr. Boutros Ghali as a leader who has proved incapable of making radical changes in an organization that they regard as unwieldy and inefficient.

"The United Nations needs new energy, new leadership, new direction," said Representative Lee Hamilton, Democrat of Indiana and a member of the House International Relations Committee who has urged the White House to move on a replacement before Mr. Boutros Ghali becomes a political liability.

In the Senate on Friday, Larry Pressler, Republican of South Dakota, a former congressional delegate to the United Nations who is pressing for a public debate, issued a statement in which he characterized Mr. Boutros Ghali as someone drawn from the world of career diplomats who "train for the grand world of treaties and receiving lines, not the grubby world of balance sheets and bottom lines."

"The United Nations is under the wrong leadership," he said in an interview. "This thing is a serious problem for the American public."

Polls give mixed information about Americans' views on support for the United Nations.

Some polls show much broader support for the organization than some politicians believe exists, while surveys and focus groups that test opinions for candidates often reveal a negative public attitude toward international organizations if national sovereignty is thought to be at risk.

In his primary campaign, Mr. Buchanan got applause with regular attacks on the United Nations, the Council on Foreign Relations, the World Trade Organization and the Trilateral Commission, among others.

On balance, U.S. voters do not see the UN as a campaign issue at this point, says Mark Mellman, a polltaker and strategist for Democratic candidates.

"Politically, it could hardly be a lower priority," he said. "The only reason that any American knows Boutros Boutros Ghali is because people make fun of his name. This is an inside-the-beltway issue."

Mr. Pressler, who is a member of the Foreign Relations Committee, describes himself as "pro-UN." But he warned, "If Boutros Ghali is reappointed, we'll have a very hard time budgetarily here in Congress."

The reluctance of Congress to allocate money to pay U.S. dues and assessments to the United Nations has already created problems at the UN for the administration, as friendly nations join in the accusations that Washington has pushed the organization into financial crisis.

Administration officials say they know the situation will become even worse if Mr. Boutros Ghali wins a second term and Republicans remain in control of Congress, calling for more reductions in the size of UN bodies and greater fiscal austerity.

But despite recurrent rumors to the contrary, the administration — or at least Mr. Clinton, who has wavered on other international appointments in NATO and the World Trade Organization — appears not to have made a decision to withdraw support from Mr. Boutros Ghali.

Time is running out. Diplomats say that in the absence of a clear signal from Washington, Mr. Boutros Ghali has been on the road, building up solid support in Asia and Africa, and has the firm backing of France, which demands a French-speaker at the head of the United Nations.

Mr. Boutros Ghali, who generally shuns publicity, often appears more comfortable in French than in English, which has added to his problems in Congress.

In Washington, officials and members of Congress remember that Mr. Boutros Ghali told Americans at the start of his term in 1992 that he was a one-term secretary-general. Some would like to hold him to that pledge.

A secretary-general is formally chosen by the General Assembly on the recommendation of the Security Council, where the United States has the strongest voice.

AMONG THE four other permanent members, Russia is thought to be leaning toward the incumbent, France backs him, China threatens to veto almost anyone else — particularly Europeans — and the British have no strong objections or other candidates.

The names of at least half a dozen possible candidates have been circulating for more than a year. The favorite in Congress seems to be Sadako Ogata, a Japanese scholar who is now UN high commissioner for refugees. She would be the first woman to hold the job.

Among the others mentioned most often are Kofi Annan, a Ghanaian undersecretary general in charge of peacekeeping; Mary Robinson, president of Ireland; Gro Harlem Brundtland, prime minister of Norway; Maurice Strong, a Canadian who presided over the Earth Summit in Rio in 1992, and Jayantha Dhanapala, a Sri Lankan arms control expert who is now ambassador to Washington.

TOMORROW

The relationship between China and Japan is central to continued stability in what is economically the most dynamic part of the world. Yet their shared past is more a source of division than of unity, and today distrust is growing rather than receding.

Agence France-Presse

Press Freedom/Agence France-Presse

The Associated Press

Boutros Boutros Ghali, above, is caught between Bob Dole and President Bill Clinton. The administration doesn't want to let Mr. Dole 'hang the secretary-general around our necks.'

World Is Getting Toll-Free Calling

By Mark Landler
New York Times Service

NEW YORK — The International Telecommunication Union, the UN agency that sets telecommunications policy, has approved a global standard for toll-free calls, hoping to rouse business by enabling callers to make free calls across borders.

Dozens of countries allow consumers to dial toll-free and pass the charges along to the recipient. But the numbers generally only work within the United States.

An American in Brussels, for example, wanting to purchase a plane ticket to New York on Delta Air Lines, using its toll-free line, would have to know its toll-free number for Belgium. Until recently, you would also have had to dial Belgium's toll-free prefix.

To eliminate this jumble of numbers and prefixes, the International Telecommunication Union decided this month to use the American 800 prefix worldwide and to assign companies one toll-free number that works anywhere. So a caller in Brussels would need only dial 800, plus an eight-digit number.

The organization adopted an eight-digit system because the United States has already used up every possible seven digit number with an 800 prefix.

On March 1, AT&T and other carriers began assigning new toll-free numbers in the United States with an 888 prefix.

"I think this will generate increased demand for international toll-free numbers," said Susan G. Mirbach, the president of Belgacom North America, a unit of Belgium's state telephone service.

Toll-free phone service has grown into a vast and lucrative business in the United States since it started in 1967. AT&T estimates that 800 numbers account for 40 percent of the traffic on its network, or 80 million calls a day. The telephone companies collect about $10 billion in revenue from this business every year.

The plan is not without its pitfalls, Ms. Mirbach said. The agency, which is based in Geneva, plans to assign 800 numbers on a first-come, first-served basis, starting in February. Because American companies are well-versed with the 800 system, Ms. Mirbach said some foreign companies were afraid the Americans would "monopolize the good numbers."

The uniform toll-free number will also enable American telemarketing companies to expand abroad: 1-800-FLOWERS, the floral delivery service, plans to begin marketing throughout Europe.

One thing 1-800-FLOWERS will not be able to do is use its vanity telephone number abroad. The buttons on the key pads of most foreign telephones have no letters.

TRAVEL UPDATE

EU to Require Seat Belts for Buses

BRUSSELS (Reuters) — The European Commission adopted rules Monday requiring manufacturers to fit all new buses and minibuses with seat belts for all passengers.

The rules, which will be phased in by 2001, require three-point belts for minibuses and two-point belts and energy-absorbing seats for large coaches, the commission said.

Hotel Strike Set for Spanish Islands

MADRID (Reuters) — Spanish trade unions called Monday for hotel workers on the tourist islands of Majorca, Menorca and Ibiza to strike for nine days in late June and early July.

The country's two biggest unions, Workers' Commissions and the General Workers' Union, asked 60,000 Balearic Islands hotel staff to stop work in protest against the collapse of collective wage talks, suspended on June 6 after two months of fruitless negotiation.

Vatican Reopens Etruscan Gallery

VATICAN CITY (AP) — The Vatican Museums unveiled the renovated Etruscan gallery on Monday, capping a five-year overhaul to prepare for the millions of extra visitors expected for the Holy Year in 2000.

U.S. Children Place 2d in Test of Reading

The Associated Press

WASHINGTON — American children placed second only to Finnish youngsters in a survey that measured reading comprehension in 32 countries.

Among Americans, black children and young people whose parents did not graduate from high school have lower reading levels than other students, according to the National Center for Education Statistics, the U.S. agency that compiled the report.

"We should be pleased that our students measured up well on an international test," Secretary of Education Richard W. Riley said in a statement, "but as we look to the future, our students need to read better."

The report examines a 1992 study comparing reading comprehension of fourth-graders and ninth-graders in 32 nations, with Eastern and Western Germany treated as separate countries. The original study was organized by an international coalition of government agencies and research institutions based in The Hague.

U.S. fourth-graders performed better than students from all other nations studied except Finland and Sweden, the report said. U.S. ninth-graders scored below Finnish students but performed about the same as students from 15 other countries, including Canada, France, Portugal and Sweden.

The education center's report concluded: "Although the tests may not have stretched this country's students to their maximum, American students have, on the whole, turned in a creditable performance."

For the most part, U.S. students perform better than the international average, except for black children and those whose parents lack high school diplomas, the study found.

The author of the study, Marilyn Binkley, said the connections between race or parents' education and reading level are for Americans only.

Fewer than 40 percent of black U.S. fourth-graders have reading levels higher than the average in 18 developed countries included in the survey, while fewer than 30 percent of black ninth-graders have above average reading levels, the report said.

In addition, about 70 percent of white American students performed above average when compared with youngsters in developed countries.

The study also found that poor students did not read as well as wealthier ones, and that students' reading levels increase with the amount of education their parents had received. Moreover, the report said students read better if their parents take an active role in their schools.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Hot — Heavy Rain — Heavy Snow

North America
Showers and a few thunderstorms, along with a cooling trend, in New York City and Washington, D.C., later this week. Rainy in Toronto and Chicago Wednesday and Thursday, perhaps drying on Friday. Hot in Denver and Dallas, cool in Seattle and Portland.

Europe
Chilly and showery later this week in Stockholm and Copenhagen. Cooler in London and Paris with a few showers as well as intervals of sunshine. Madrid and Lisbon will also turn cooler with scattered thunderstorms. Rome will be warm with little or no rain.

Asia
Hot and humid in Tokyo and Shanghai later this week with a few thunderstorms. Numerous showers and thunderstorms, some with heavy rain in Seoul and Beijing. Hot and humid with a thunderstorm on occasion in Hong Kong, Singapore, Manila and Bangkok.

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	24/75	22/71 c	25/77	19/66 c
Amsterdam	22/71	15/59 s	19/66	13/55 pc
Ankara	31/88	19/66 sh	29/84	17/63 s
Athens	25/77	14/57 s	28/79	16/61 s
Barcelona	26/79	17/62 s	29/78	19/66 s
Belgrade	22/71	12/53 pc	27/80	15/59 s
Berlin	26/79	12/53 pc	21/70	6/43 c
Brussels	22/80	13/55 s	24/75	12/53 pc
Budapest	24/75	16/61 c	29/84	18/64 pc
Copenhagen	23/71	11/52 c	15/59	7/44 sh
Costa Del Sol	27/80	22/71 pc	27/80	21/70 pc
Dublin	22/71	10/50 s	22/71	12/53 pc
Edinburgh	16/61	10/52 pc	16/61	11/52 c
Florence	25/77	14/57 s	27/80	17/62 pc
Frankfurt	25/77	13/55 pc	23/73	9/48 c
Geneva	25/77	14/57 s	27/80	16/61 s
Helsinki	14/57	9/48 pc	15/59	10/50 r
Istanbul	23/73	13/55 pc	23/73	14/57 s
Las Palmas	25/77	18/64 s	26/79	19/66 s
Lisbon	24/75	21/70 pc	24/75	18/64 pc
London	20/68	13/55 s	24/75	13/55 pc
Madrid	30/86	15/59 pc	29/84	17/62 s
Milan	24/75	18/64 pc	30/86	18/64 s
Moscow	17/62	9/48 sh	20/68	10/50 pc
Munich	23/73	11/52 pc	27/80	12/53 s
Nice	23/71	18/61 pc	25/77	18/64 s
Oslo	19/66	9/48 sh	18/64	10/50 sh
Mallorca	25/77	18/64 s	24/75	19/66 s
Paris	30/86	14/57 s	30/86	15/59 s
Prague	23/73	12/53 pc	27/80	11/52 pc
Reykjavik	14/57	11/52 sh	15/59	11/52 c
Rome	28/79	13/55 pc	29/84	18/61 s
St. Petersburg	11/52	6/43 sh	19/66	9/48 sh
Stockholm	18/61	11/52 r	14/57	7/44 sh
Strasbourg	29/84	14/57 s	31/88	14/57 s
Tallinn	14/57	9/48 pc	16/61	10/50 r
Venice	24/75	19/66 pc	27/80	18/64 pc
Vienna	26/79	14/57 pc	28/79	15/59 s
Warsaw	23/73	11/52 sh	27/80	9/48 sh
Zurich	29/78	14/57 pc	29/84	14/57 s

Oceania

Auckland	15/59	8/46 s	14/57	8/46 pc
Sydney	19/66	12/53 sh	19/66	12/53 pc

Middle East

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Abu Dhabi	38/97	28/79 s	35/97	24/75 s
Beirut	29/79	19/66 pc	27/80	20/68 s
Cairo	31/88	21/70 s	30/86	18/64 pc
Damascus	28/79	9/48 s	27/80	13/55 s
Jerusalem	24/75	14/57 s	25/77	15/59 s
Luxor	39/102	21/70 s	42/107	21/70 s
Riyadh	42/107	28/79 s	44/111	27/80 s

Africa

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algiers	24/75	15/64 pc	28/79	19/66 s
Cape Town	14/57	9/48 c	16/61	9/48 c
Casablanca	23/73	15/64 pc	24/75	18/64 pc
Harare	29/79	12/53 pc	28/79	11/52 pc
Lagos	30/86	23/73 pc	31/88	24/75 pc
Nairobi	19/66	12/53 s	22/71	11/52 pc
Tunis	29/71	15/59 pc	24/75	18/61 s

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bangkok	32/89	29/79 t	34/93	25/77 pc
Beijing	28/82	18/64 pc	33/91	19/66 pc
Hong Kong	29/84	27/80 t	30/86	27/80 sh
Manila	34/93	23/73 pc	34/93	24/75 pc
New Delhi	42/107	34/93 pc	41/106	33/91 c
Seoul	25/77	18/64 s	24/75	17/62 s
Shanghai	28/82	24/75 t	29/84	23/71 pc
Singapore	32/89	24/75 sh	33/91	23/73 sh
Taipei	32/89	24/75 pc	32/89	24/75 pc
Tokyo	29/84	21/70 pc	28/79	19/66 t

Latin America

Buenos Aires	18/55	2/35 sh	7/44	-1/31 pc
Caracas	31/88	20/68 c	29/86	21/70 pc
Lima	19/64	17/62 pc	18/64	16/61 pc
Mexico City	24/75	13/55 t	25/77	13/55 pc
Rio de Janeiro	32/89	23/71 s	30/86	20/68 pc
Santiago	9/48	-2/29 pc	9/48	-1/31 pc

North America

Anchorage	21/70	9/43 s	18/64	9/48 pc
Atlanta	33/91	22/71 s	29/82	20/68 pc
Boston	29/78	18/61 sh	21/70	13/55 pc
Chicago	24/75	13/55 t	24/75	17/62 sh
Denver	31/88	14/57 pc	30/87	16/68 s
Detroit	28/79	17/62 c	25/77	16/61 pc
Honolulu	29/82	24/75 c	29/84	23/73 pc
Houston	36/97	23/73 s	34/93	23/73 pc
Los Angeles	26/82	14/57 s	23/84	16/61 pc
Miami	31/88	24/75 t	30/86	25/77 t
Minneapolis	21/70	16/61 sh	24/75	18/64 c
Montreal	23/73	9/48 pc	23/73	9/48 s
Nassau	31/88	24/75 pc	32/89	24/75 pc
New York	28/84	19/66 pc	25/77	15/59 pc
Phoenix	42/107	27/80 s	42/108	28/82 s
San Fran.	21/70	11/52 s	22/71	12/53 pc
Seattle	18/64	9/48 c	20/68	11/52 pc
Toronto	24/75	14/57 pc	24/75	12/53 pc
Vancouver	17/62	9/48 sh	18/64	11/52 pc
Washington	33/91	22/71 pc	27/80	17/62 pc

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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Clintons Face Hot Week of Whitewater Investigations

By Brian Knowlton
International Herald Tribune

WASHINGTON — At the outset of what appears certain to be a brutal week for the Clinton administration, Hillary Rodham Clinton on Monday provided written answers to last-minute questions from the Senate committee investigating the politically charged Whitewater affair.

Her response came as a new Whitewater-related trial opened in Little Rock, Arkansas. Prosecutors in that trial will try to show that two bankers arranged illegal contributions to Bill Clinton's gubernatorial election campaign in 1990, possibly in exchange for political appointments. Mr. Clinton himself faces no charges in the case.

And on Tuesday, the Senate Whitewater committee is to release a 700-page report summarizing the findings of its protracted investigation.

A report bearing the names of the 10 Republican members of the committee will accuse top administration officials of a range of misdeeds, including a possible attempt to impede criminal investigations to protect the Clintons.

The committee's eight Democrats will issue a dissenting report, largely exonerating the Clintons.

Questions, meanwhile, continued to arise about the White House's attempt in 1993 to compile FBI background reports on hundreds of employees, including some prominent Republicans no longer in government. Two Republican-led congressional committees are to hold hearings on the matter this week.

The Whitewater affair thus appeared increasingly inseparable from the political wars erupting on all sides ahead of the November presidential election. Polls released Monday show that it has begun to take a toll on Mr. Clinton's image.

In her two-page affidavit, sworn under oath, Mrs. Clinton denied any wrongdoing.

She said that she did not know how billing records from the Little Rock law firm — where, as a lawyer in the 1980s, she performed legal work related to the Whitewater real estate deal — showed up later in the White House.

Mrs. Clinton said that she might have seen the records in 1992. Her affidavit does not say whether she saw the records after that time, when they were subpoenaed by investigators. They were not turned over to investigators until an aide said she found them in a White House office used by Mrs. Clinton.

Republicans have said that the withholding of the records constituted obstruction of justice. On Monday, they expressed dissatisfaction with her written answers.

The fact that the Senate committee put new questions to Mrs. Clinton last week, even as large parts of the committee's report were being leaked to the press, drew a sharp protest from her lawyer.

"It simply makes no difference what information we furnish you," the attorney, David Kendall, wrote in a cover letter accompanying Mrs. Clinton's affidavit. He said it had become clear to the public "that the majority report is simply the politically preordained verdict of a kangaroo court."

While polls show that many Americans have discounted the Whitewater affair as politically inspired, recent surveys indicate a growing belief that Mr. Clinton is linked to illegal actions in the affair.

A shift in some voters' minds appeared to begin with the verdict May 28 in an earlier trial in which three former associates of the Clintons, James McDougal and his former wife, Susan McDougal, and former Governor Jim Guy Tucker of Arkansas, were convicted of most of the Whitewater fraud charges against them.

The earlier case was a complex one in which prosecutors introduced hundreds of pieces of documentary evidence.

The trial that began Monday with jury selection in a Little Rock court appears far simpler, and thus could have a larger impact on voters' views. The president again will testify by videotape.

Herby Branscum Jr. and Robert Hill, owners of Perry County Bank in Perryville, Arkansas, face charges in that trial of conspiracy, misapplication of bank funds and making false statements to regulators.

Mr. Branscum and Mr. Hill are accused of submitting false expense vouchers to their bank to reimburse themselves and others for $13,216.70 in political contributions to the Clinton campaign and others.

Prosecutors will argue that Mr. Clinton, on Dec. 14, 1990, was personally handed $7,000 by Mr. Hill; about a month later, Mr. Clinton named Mr. Hill's business partner, Mr. Branscum, to head the state highway commission.

POLITICAL NOTES

Is Aid to Homeless Off-Limits?

WASHINGTON — The Senate Armed Services Committee has voted to cancel the Pentagon's program to help the homeless, concluding that the effort interferes with America's ability to defend itself. The committee's report on the $267 billion defense authorization bill for fiscal 1997, $12.9 billion more than the Pentagon says it needs, zeroes out the $3.5 million Homeless Support Initiative.

The initiative lets the various services help homeless shelters near military facilities: They do things such as give out blankets or open armories in winter so the homeless don't freeze to death.

The committee said the law permits that help "so long as it does not interfere with military preparedness or military requirements." But it said that modernization programs, such as the Armored Gun System, a $140 million-plus item the Pentagon said was not really needed given budget constraints, has been canceled because of a lack of funds. So the panel concluded that "providing $3.5 million for this program qualifies as interference with military preparedness and military requirements."

The committee said it was concerned about the homeless, but that was not the "primary mission of the Department of Defense." *(WP)*

Families Officially Join Race

WASHINGTON — The Federal Election Commission has expanded the list of people that members of Congress may take with them — at the expense of their campaign funds — to political conventions this summer.

The commission previously had approved the use of campaign funds to pay costs of convention attendance by members of Congress. It also had said spouses could come along, courtesy of campaigns, on the theory that they perform a critical role representing their mates at various political functions. Now, children and chiefs of staff have been approved as well.

The commission told Representative James T. Walsh, Republican of New York, that he could use campaign funds to pay travel expenses for himself, his wife and their two children, ages 12 and 16. Mr. Walsh had said that his wife and children were "integral parts" of his campaign effort.

Next, the commission approved a request by Frank Lucas, an Oklahoma Republican, to use campaign funds to pay for his chief of staff. "You state that the political nature of conventions provides excellent fund-raising opportunities for your campaign," the commission said. "For example, your chief of staff, and you plan to contact top Republican contributors who have an interest in the issue areas in which you are most active and make arrangements to meet them during the convention."

The commission agreed that those were "important functions" related to Mr. Lucas's campaign. *(WP)*

Chasing Campaign Backdrops

WASHINGTON — When Bob Dole embarked on campaigning as a former senator, he made it plain that his goal was to remake his televised image with the help of picturesque backdrops.

"We're trying to get good pictures," he told reporters aboard his campaign plane last week. "Don't worry very much about what I say."

Indeed, the next several days amounted to a contest between Mr. Dole and President Bill Clinton over who could look best, both in pictures and in content, on the local and network newscasts. It was a particularly important week for Mr. Dole because the novelty surrounding his departure from the Senate led the press to give him yet another big opportunity to make his case. Sixty-one representatives of the press traveled on his plane, more than any time since his announcement last year that he was running for president.

The five-day period from Wednesday to Sunday was also crucial because it might become difficult for either candidate to reach the voters: The Olympics are likely to dominate television beginning in mid-July. *(NYT)*

Quote/Unquote

David Kendall, attorney for Hillary Rodham Clinton, responding to a draft report leaked from the Senate Whitewater Committee: "It is a last-minute hit-and-run smear unworthy of a congressional committee engaged in a serious search for the truth." *(AP)*

Gun-Control Law Under Court Study

States' Sovereignty Is the Question

By Linda Greenhouse
New York Times Service

WASHINGTON — The Supreme Court agreed Monday to decide whether a new federal gun-control law violates state sovereignty by giving local sheriffs the job of checking on whether prospective gun purchasers have criminal records.

Local law enforcement agencies have objected to this provision of the Brady Handgun Violence Prevention Act with the assertion that it turns local sheriffs into federal bureaucrats who are required to do the federal government's work. The issue has been litigated in federal courts around the country since the Brady Act took effect in 1994, with mixed results.

In the case the court accepted Monday, the federal appeals court in San Francisco upheld the law in the face of challenges brought by county sheriffs in Montana and Arizona.

Despite having won the case, the Clinton administration urged the justices to hear the sheriffs' appeal in order to resolve the conflict in the lower courts. The federal appeals court in New Orleans struck down the provision in March.

The case now becomes raw material for the justices' wide-ranging re-examination of the constitutional boundary between the federal government and the states, an ongoing exercise that in the past year has produced other constitutional rulings that have curbed federal authority vis à vis the states.

In a decision in its last term, Lopez v. United States, the court said Congress had no authority under the Commerce Clause to make a federal crime of possessing a gun near a school. And this term, in Seminole Tribe v. Florida, the court interpreted the 11th Amendment, which bars suits against states in federal court, to invalidate part of a federal law regulating casino gambling on Indian reservations.

The constitutional provision principally at issue in the new case is the 10th Amendment, one of the more obscure provisions of the Bill of Rights, under which powers not explicitly given to the federal government are reserved to the states.

While the 10th Amendment on its face appears far removed from the Brady Act situation, a 1992 Supreme Court decision interpreted the amendment as forbidding the federal government to "commandeer state governments into the service of federal regulatory purposes," as Justice Sandra Day O'Connor said in the majority opinion in that case, New York v. United States.

The county sheriffs are arguing, and courts elsewhere have found, that requiring local officials to carry out the federal mandate of background checks is a form of such commandeering. Sheriff Jay Printz of Ravalli County, Montana, told the justices in the appeal the court accepted Monday.

■ Other Issues Reviewed

In other action, the court made these decisions:

• It agreed to decide whether states may confine "sexually violent predators" who have served their prison sentences but who suffer from a "mental abnormality or personality disorder" that make them dangerous.

• It ordered a federal appeals court to restudy a Cincinnati charter amendment that denies discrimination protection to homosexuals. The ruling was in light of the high court's decision last month to strike down a similar measure in Colorado, a major victory for gay-rights advocates.

• It said women raped and tortured in the former Yugoslavia could sue the Bosnian Serb leader, Radovan Karadzic, in the United States for crimes against humanity.

• It opened the way for possible reinstatement of a provision of Utah law that makes it harder to get abortions if the fetus could survive outside the womb. The justices set aside a lower court ruling that had invalidated the entire law as an undue burden on women's privacy. *(AP)*

Wilfredo Lee/The Associated Press

D.C. WELCOME — President Bill Clinton meeting President Glavkos Klerides of Cyprus on Monday.

Canada Defies U.S. on Cuban Sanctions

By Clyde H. Farnsworth
New York Times Service

TORONTO — Canada on Monday became the first country to retaliate against American legislation that has stirred international wrath by penalizing Canadian and other foreign companies that do business in Cuba.

Foreign Affairs Minister Lloyd Axworthy called the government action "the beginning of a chain reaction among other countries in developing a collective response" to the Helms-Burton Act, which President Bill Clinton signed in March.

The law allows American companies and citizens to sue foreign companies with U.S. assets if they are "trafficking" in or profiting from Cuban property that was expropriated during the 1959 revolution. In addition, the United States may deny entry to senior executives of such companies, putting them in the same category as political militants or convicted felons.

Mr. Axworthy and Minister of International Trade Art Eggleton said the government is introducing tit-for-tat legislation to allow Canadian companies to countersue American companies to "claw back" in Canadian courts any amounts awarded by U.S. courts.

Many American companies have property in Canada and thus would be vulnerable in the countersuits. For years Canada has been the biggest American commercial partner.

Canada intends to protest the denial-of-entry issue as a violation of the North American Free Trade Association, in which Canada and Mexico are members with the United States.

Mr. Eggleton said Canada is requesting a ministerial level meeting of NAFTA to pursue its claim of treaty violation.

But the Canadian ministers were clearly hoping that the tough response Monday would help avoid a full-scale trade war in what is turning into the most serious dispute between the United States and its allies since the sanctions Washington imposed on European companies in 1982 to try to block a Soviet natural gas pipeline into Western Europe.

The same issue was involved: extraterritorial reach of U.S. laws, which other countries see as a breach of their sovereignty.

The sanctions provisions of the Helms-Burton law do not actually go into effect until Aug. 1.

The law gives the president discretion to exempt countries from the harsh provisions. He has until July 16 to signal such action. "The reason we are putting forward these measures now is to give the Americans a clarification and understanding as to Canada's answer to Helms-Burton," said Mr. Axworthy.

Away From Politics

• The countdown has begun for the launching of the space shuttle Columbia on what may be the longest shuttle flight ever. Columbia, NASA's oldest shuttle, is to blast off from Kennedy Space Center in Florida on Thursday. If Columbia's power reserves last as expected, the mission could last almost 17 days, the longest flight of the 15-year shuttle program. *(Reuters)*

• **Parents of nearly 1,500 minority infants in Los Angeles taking part in a 1989 government study** of two measles vaccines were not told that one of the vaccines was experimental, federal health officials say. None of the children, most of whom are now 5, was injured by the unlicensed vaccine, the centers said. However, similar clinical trials conducted in Africa and Haiti with the vaccine suggested that there was an increased death rate among girls who received the more potent of two dosages. For this reason, the Los Angeles study was halted in 1991. *(LAT)*

• **Flames destroyed a 100-year-old church with a black congregation** in Rocky Point, North Carolina, the second church fire in the state in less than two weeks. The authorities did not immediately know whether arson was the cause. *(AP)*

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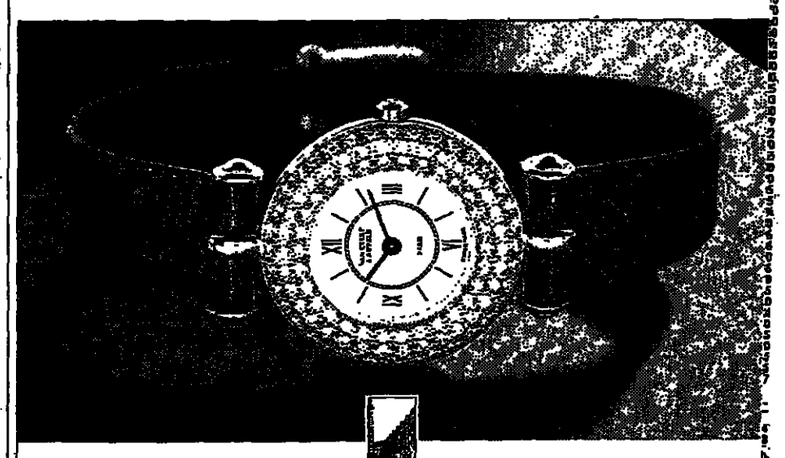

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ASIA/PACIFIC

India Will Cut Spending And Bid for Investment

Compiled by Our Staff From Dispatches

NEW DELHI — India's new government has promised to push the economy to the level of developing Asian nations and to make the country a friendlier place for foreign investors. But it also has unveiled policies aimed at limiting the government's fiscal deficit and has warned of large-scale layoffs of government workers.

"Most of our Asian neighbors are attracting large volumes of foreign investment to assist in their modernization and development," Prime Minister H. D. Deve Gowda said Sunday in a nationally broadcast address, his first since taking office this month. "We must also do the same."

But on Monday, the government said it would try to limit the deficit to 4 percent of the gross domestic product and prune expenditures.

The United Front coalition government also warned of layoffs of government workers as part of its austerity drive. It hinted at a freeze on wage increases and allowances of government employees other than defense personnel.

Finance Minister Palaniappan Chidambaram said economic prudence was needed to curb government spending and shore up resources.

"The government recognizes and reiterates that fiscal prudence is the key to low inflation, stable price levels and rapid growth," he said Monday.

Mr. Chidambaram, a supporter of the 1991 open-market policies of then Prime Minister P. V. Narasimha Rao, said the government, in which Communist parties are partners, would also try to rein in the deficit.

"The government is committed to reduce the fiscal deficit to below 4 percent of the GDP," Mr. Chidambaram said in his pre-budget policy paper.

India's deficit in the 1995-96 fiscal year to March was $18.2 billion, or 5.9 percent of GDP.

Mr. Chidambaram said programs and projects of the government would be reviewed and evaluated to determine their relevance.

"This exercise will be initiated immediately and so identification of redundant schemes can be completed by September 1, 1996, and decisions on phasing out these activities can be taken," he said.

The Finance Ministry, he added, would supervise the weeding out of "unproductive" programs and projects identified as "low-priority."

Mr. Chidambaram said the federal 1996-97 budget would focus on containing wasteful expenditures and recognize India's revenue constraints, adding that "rigid adherence to budgetary ceilings" would be maintained.

The minister ordered government departments to slash manpower "in the shortest time possible" in line with the 13-party United Front's plans to drop unproductive and capital-intensive projects. *(AP, AFP)*

Japanese Lay Downing of Jet To Basic Errors

Reuters

TOKYO — The crew of the Japanese destroyer that shot down a U.S. plane during naval exercises this month may have committed a string of basic errors, according to reports here Monday.

Navy investigators found that the chief gunnery officer and others on the guided-missile destroyer Yugiri failed to confirm that the plane was out of range before the ship opened fire, the daily Tokyo Shimbun and Kyodo news agency said.

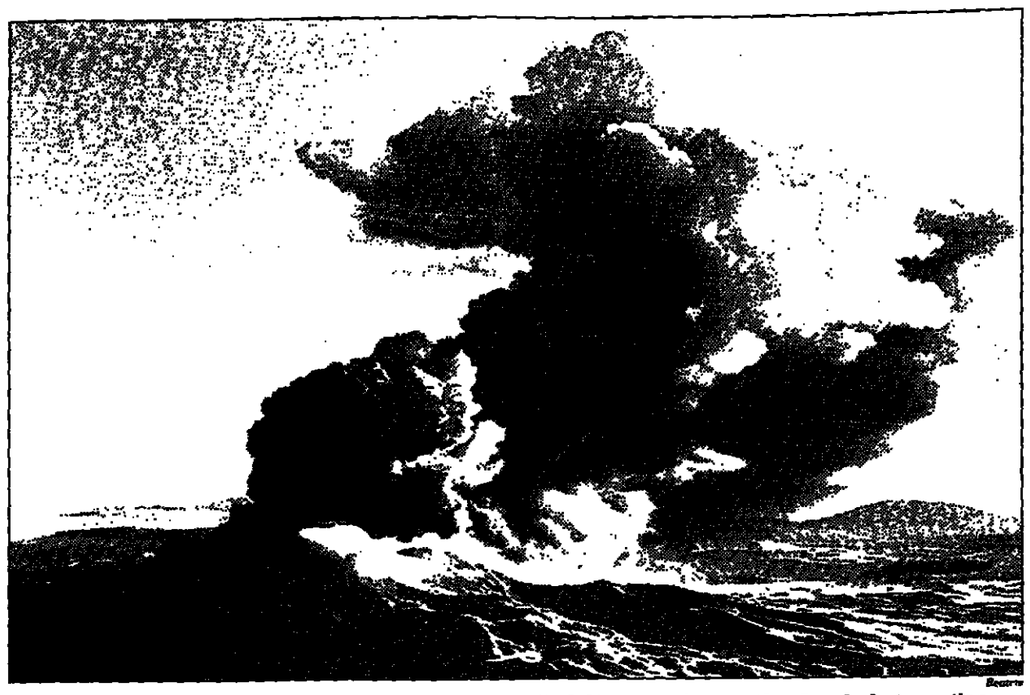
The weapon fired, a 20mm gun called a Vulcan Phalanx, was to have been aimed at a target towed by the A6-E Intruder aircraft. The gun automatically tracks and fires at an airborne target after the firing switch is activated.

Tokyo Shimbun and Kyodo said the unidentified chief gunnery officer aboard the Yugiri failed to wait for a radio message from the Intruder confirming that it had flown out of range before he ordered the controller inside the ship's combat information center to activate the firing switch.

The plane was towing a target drone with a 5-kilometer (3.25-mile) cable.

Rounds from the destroyer hit the plane's right wing during exercises in the Pacific on June 4.

The plane's two crew members ejected from their craft and were rescued without injury.



The Ruapehu volcano in New Zealand sending up clouds of ash Monday, nine months after the last eruption.

Ash Blankets New Zealand As Volcano Erupts Again

The Associated Press

WELLINGTON — The volcano Ruapehu erupted Monday for the second time in nine months, creating an 13-kilometer-high plume of steam, dust and debris that blotted out the sun and dumped tons of ash on the countryside.

There were no reports of injuries or major damage after the eruption of the 2,797-meter (9,176-foot) snowcapped mountain. Workers and skiers on three snowfields on the lower slopes of the peak were evacuated as a precaution against hot mud slides.

Two nearby airports were closed, and the Civil Aviation Authority banned commercial jetliners and other aircraft from flying over the plume.

Officials warned residents in the region to stay indoors.

A deep layer of ash blanketed the immediate area, 224 kilometers north of Wellington, falling over farms and forest as far as 110 kilometers north of the peak.

"Don't breathe in the ash," said Allan Johnston, spokesman for the Taupo District Council. "If you're going outside, use a mask, and there's no need to panic."

Ruapehu is one of three active volcanoes in a national park in the center of New Zealand's North Island. A similar eruption last September cut short the last ski season by two months.

Witnesses said the volcano came violently to life early Monday when a large cloud of steam from its crater was followed by a huge explosion of gas and debris.

The plume was visible hundreds of kilometers away.

National radio said residents in some towns shoveled "wheelbarrow loads of coarse sand-like pumice ash" from sidewalks and driveways.

A mud slide flowed down one side of the mountain as localized tremors continued through the morning.

Hundreds of visitors were photographing the spectacle from a safe distance, Kerryanne McKinlay, a hotel manager, told the New Zealand Press Association. "It is throwing up the most amazing clouds tinged with red, yellow and orange," she said.

BRIEFLY ASIA

Bangladesh Coalition Talks

DHAKA, Bangladesh — Sheikh Hasina Wazed, whose Awami League emerged as the biggest single party after Bangladesh's general election last week, discussed details with minority parties Monday for their possible participation in an Awami-led government, an aide said.

"She is having intense and fruitful talks with other groups. She held a lengthy meeting with Jatiya Party Secretary-General Anwar Hossain Manju last night," a close aide of the 48-year-old leader said.

Sheikh Hasina is waiting for President Abdur Rahman Biswas to invite her to form a government. *(Reuters)*

Killer Cyclone Is Downgraded

HYDERABAD, India, — A cyclone that killed more than 120 people in southern India and caused millions of dollars in damage has petered out, the authorities said Monday.

"It is no longer a cyclone," a meteorological department official said. "It is now more a rain-generating system, with no damage potential like a cyclone." *(Reuters)*

Burma Links CIA to Nobel Prize

BANGKOK — Burma's state-run media claimed Monday that the CIA ordered that the 1991 Nobel Peace Prize be awarded to the opposition leader Daw Aung San Suu Kyi.

"All that was bestowed on her, including the Nobel Prize," was "given according to the wishes of the CIA" and "were wages for being used by the West bloc," said the New Light of Myanmar, a newspaper.

Burma's military regime has stepped up its attacks on Daw Aung San Suu Kyi in recent weeks. *(AP)*

VOICES From Asia

John Howard, prime minister of Australia, who apparently wore a bulletproof vest while addressing a hostile rally of gun owners, vowing to continue touring rural areas to defend a proposed gun ban: "I understand the depths of their feeling and I don't brand all of those people as fanatics or 'Rambos' or extremists." *(Reuters)*

Seyed Ali Jawid, deputy prime minister of Afghanistan, after talks with President Hashemi Rafsanjani of Iran on the estimated 1 million Afghan refugees living in Iran: "President Rafsanjani promised not to force back any refugees who did not want to return. The president said he would issue instructions that Afghan refugees will not be given any trouble." *(Reuters)*

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EUROPE

U.K. Toughens Stand on Sinn Fein

Adams Says Party 'Will Not Be Scapegoated' for Bomb Blast

By John Darnton
New York Times Service

LONDON — Stiffening their position after the bomb that exploded in the center of Manchester on Saturday, government officials said Monday that it would be "very much more difficult" for Sinn Fein, the political wing of the IRA, to be admitted to the nascent peace talks on Northern Ireland.

At the same time, Gerry Adams, the Sinn Fein president, tried to deal with the negative fallout from the blast. He said it would be "sheer folly" for the British to isolate the republicans who are opposed to British rule and to exclude them from "dialogue" about the future of the province.

Responding to a chorus of condemnation from erstwhile supporters in Dublin and Washington, Mr. Adams, who had said he regrets the bombing but refused to condemn it outright, also sought to put some daylight between Sinn Fein and the Irish Republican Army. He insisted that his organization "was not responsible in any way" and asserted that "it will not be scapegoated."

The bomb shattered more than tons of glass at a Manchester shopping center. It shook up the entire peace process in Northern Ireland, by confirming the deep suspicions of Protestant unionists, who want to remain tied to Britain, that the Roman Catholic republicans cannot be trusted to negotiate without recourse to violence.

It also made it more difficult for the governments of Britain and the Irish Republic to somehow admit Sinn Fein to peace talks that began one week ago. Because the IRA broke a cease-fire with a series of bombs on the British mainland beginning in February, London and Dublin insist that Sinn Fein cannot join the talks unless the cease-fire is formally reinstated. That position was reiterated in spades Monday. Prime Minister John Major said in a statement sent to Manchester newspapers that pressure from terrorists would not deflect the government from pursuing peace.

Home Secretary Michael Howard, whose duties include supervision of law enforcement, gave a radio interview in which he said it was now "very, very much more difficult" to believe that any IRA cease-fire would be genuine and permanent. "You can't let off a bomb in Manchester on Saturday, declare a cease-fire on Sunday and expect to be admitted to the talks on Monday," he said on the BBC.

The cabinet of the Dublin government, which has been especially harsh in condemning both the IRA and Sinn Fein, is scheduled to meet Tuesday to "review" its relationship with Sinn Fein. If it cuts off or reduces the level of contact, then Sinn Fein could lose an influential potential ally.

Paul Quinn/Reuters
Gerry Adams, head of Sinn Fein, at a news conference in Belfast on Monday.

Governing Party in Albania Sweeps Partial Ballot Rerun

Reuters

TIRANA — The governing Democrats won a clean sweep in a partial rerun of the disputed Albanian general election, electoral officials said Monday.

Preliminary results again gave the conservative Democratic Party a landslide victory in the former Communist country's third multiparty elections, which were boycotted by the opposition and criticized by international observers. The smattering of foreign monitors who watched the rerun in 17 of the country's 115 constituencies said the elections Sunday had been free and fair.

"From the preliminary data we have from Sunday's vote it appears the Democratic Party has won in these constituencies," said Edmir Kapidani, chairman of the Central Electoral Commission, which organized the poll.

The observer team of 19 legislators from Italy, Austria, France, Ireland and Poland said it had not observed a single disturbing incident during the balloting.

Most opposition parties, including the key Socialists, pulled out of the first round, on May 26, alleging voter intimidation and ballot manipulation. They boycotted the second round, on June 2, as well as the rerun, and said they would not take up the seats they had won.

The Organization for Security and Cooperation in Europe, which oversaw monitoring but withdrew after the first round, said in a final report that the elections had neither met local nor international legal standards. The Central Election Commission denied the report's findings.

If the preliminary results of the balloting on Sunday are confirmed, President Sali Berisha's Democrats will have won 101 of 115 directly elected seats in the Parliament. Twenty-five more seats will be distributed proportionally.

■ Nastase Concedes Defeat

Ilie Nastase, the former tennis star, conceded defeat in the Bucharest mayoral race Monday, Agence France-Presse reported. It was a setback for President Ion Iliescu, who was banking on a victory by Mr. Nastase.

The governing Party of Social Democracy and the government, looking ahead to presidential and legislative elections on Nov. 23, had invested heavily in backing Mr. Nastase. But the central election board said he won 43.2 percent of the vote compared with 56.7 for Victor Ciorbea, a labor lawyer who was the candidate of an opposition alliance known as the Democratic Convention.

BRIEFLY *EUROPE*

Bias Alleged in Ex-Nazi's Trial

ROME — The trial of Erich Priebke, the former Nazi SS captain, was halted on Monday until July 10 after allegations from the military prosecutor that the panel of judges may be biased.

The prosecutor, Antonio Intelisano, said he would seek the dismissal of the bench, in which case the trial would have to start again from scratch. At least two Italian newspapers reported Monday that Mr. Intelisano and lawyers for relatives of some of Mr. Priebke's victims did not believe the bench would allow them an impartial hearing.

Mr. Priebke, 82, is accused of being among the chief organizers of the massacre of 335 Italian men and boys at the Ardeatine Caves near Rome in 1944. *(Reuters)*

Berlusconi Loses Ground in Sicily

ROME — Italy's center-right party suffered a setback in Sicily's regional vote on Monday. The results showed a slump in support for the Forza Italia party led by the former prime minister and opposition leader Silvio Berlusconi.

With almost all the votes in, Mr. Berlusconi's Forza Italia was the single biggest party with 17.1 percent of the vote, far less than the 32.2 percent it picked up during the April elections in Sicily. *(Reuters)*

New Plan for Auschwitz Project

WARSAW — The Polish developer of a building project near Auschwitz, the Nazi death camp, announced plans Monday to pursue an altered project despite a local ban, the Polish PAP news agency said.

Janusz Marszalek, head of the Maja development firm, said that work would resume at the building site in the southern town of Oswiecim next week unless the government made a decision to the contrary by Friday.

Mr. Marszalek said he had modified the original project for a shopping mall across the street from the museum at the former camp where up to 1.5 million people, mainly Jews, were killed by Germans during World War II.

That project triggered an outcry by international Jewish organizations that argued that a commercial center within the protective zone around Auschwitz would desecrate the world's largest Holocaust site. *(Reuters)*

Clinton Names New EU Envoy

BRUSSELS — President Bill Clinton has named an investment banker from his home state of Arkansas as Washington's new envoy to the European Union.

Vernon Weaver, 74, from Little Rock, will replace Stuart Eisenstat, who moved back to Washington to take up the position of undersecretary for commerce and international trade. *(Reuters)*

Calendar

European Union events scheduled for Tuesday:

STRASBOURG: Weekly meeting of the European Commission.

STRASBOURG: The full European Parliament meets until Friday.

BRUSSELS: Martin Bangemann, the industry commissioner, addresses a conference on the future of the European defense industry.

Sources: Agence Europe, AFP

EU Bars Move To Let Britain Export Beef Outside Europe

Agence France-Presse

ROME — A British campaign against the European Union's worldwide ban on its beef exports suffered a setback Monday as London's partners ruled out an accord that would have allowed an early resumption of beef sales to countries outside Europe.

British officials acknowledged that a deal on a framework for lifting the embargo was now "highly unlikely" before EU leaders convened in Florence on Friday for a meeting that might be dominated by the beef issue.

The meeting here of foreign ministers was called to prepare the agenda for the summit meeting in Florence, but it was dominated by the crisis over "mad cow" disease. The dispute focuses on measures Britain must take to obtain a lifting of the EU ban on British beef. The ban has prompted London to retaliate against the Union by vetoing routine decisions.

Britain's demand to be allowed to export beef products to third countries, aimed at reopening important markets like South Africa and Hong Kong, is a central element in the framework that London wants adopted before calling off its obstruction of EU business.

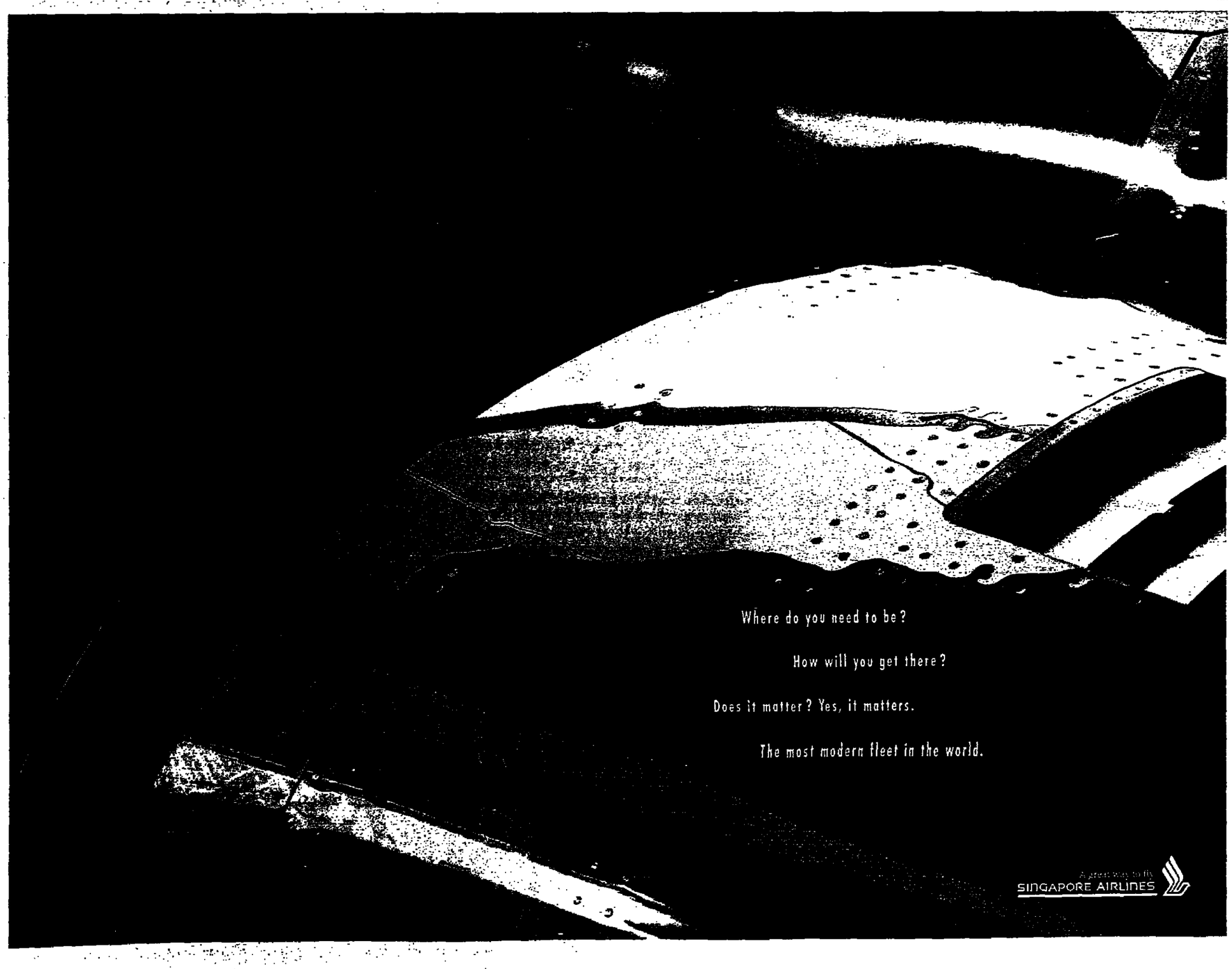
But at talks intended to defuse the controversy, France, Luxembourg and the Netherlands signaled that they could not, for ethical reasons, accept a resumption of exports to non-EU countries while maintaining the ban in Europe.

A British spokesman argued that if the EU accepted the view that British citizens could eat British beef, there was no reason to prevent other countries from importing it.

In a concession, however, he said this would be conditional on safeguards to prevent any re-export to Europe. Britain had previously argued that an immediate resumption of exports should be possible for countries that, for other reasons, are banned from exporting to the EU.

Countries throughout Asia and Africa imposed bans on British beef in March after scientists found that there could be a link between mad cow disease and a fatal human brain condition.

British exports to North America were banned in the late 1980s. Some countries, including South Africa would like to resume imports.



Traveling To Antalya

SUN, SAND AND HISTORY WITH ITT SHERATON

THE READY EXPANSION of tourism in Turkey today largely explains the fact that Antalya – with a year-round population of around 500,000 – has the fastest growth rate of any city in the country. A sleepy port on Turkey's southwestern coast until the early 1980s, it is now the center for a booming tourism industry.

The city is sprawling outward into the suburbs as increasingly mobile Turks and foreign visitors discover the city's sunny summer and mild winter climate.

Agriculture – particularly cotton and citrus fruits – dominates the city's hinterland economy; cut flowers, especially carnations, are also a thriving export. The expanding Antalya free-trade zone, aimed at high-tech industry, is one of six established during a country-wide opening of the Turkish economy to the world during the past decade.

Like the ruins of antiquity scattered all around the province of the same name, the city has a venerable history that saw the passing of the Roman, Byzantine and Ottoman empires. Its sheltered harbor was first established by the Pergamene King Attalos II in the second century B.C. Missionary visits by Saint Paul and Barnabus explain the remains of early Christian churches, which were later converted into mosques. The most outstanding reminder of the Roman empire is Hadrian's Gate, built during a visit by the emperor in A.D. 130.

For a good overview of the city's past, visit the Antalya Museum, regarded as one of the best local institutions in the country, with its collection of Greek and Roman sculpture, and stunning mosaics, all discovered in the region. The museum is also the reliquary of the supposed bones of St. Nicholas, or Santa Claus.

For the business visitor with time to spare, Antalya offers a wealth of historical sites just a short journey away, notably one of the best-preserved Roman amphitheaters in the world at Aspendos, located 47 kilometers to the east. The ancient structure hosts a national opera and ballet festival every summer.

Also to the east, but a closer 15 kilometers, lies Perge, a city founded by Greeks after the Trojan War, although most of the ruins date from the Roman era. The more adventurous and hardy can attempt the 1,500-meter ascent to Temessos, 35 kilometers inland. This proud city, once known as "The Eagles' Nest," defied Alexander the Great.

Sun, sea and sand abound, but for the business visitor, an additional boon may be the designation of the Belek area, 25 kilometers west of the city, as an exclusive zone for year-round golf tourism.

renovated by the Romans and Seljuk Turks.

Boulevards and streets radiating behind the minaret lead to the long but pebbly strand of Konyaalti Beach, inland into the apartment block suburbs, and to the left down Ataturk Caddesi past Hadrian's Gate. The latter serves as a portal to the old quarter of Kaleici, with its timber-framed *konaks* (mansions) built in the typical style of Antalya. They were crumbling before the tourist advent, but now many have been restored and serve as pensions and bars. The nighttime revelry means the area is not the quietest place to stay.

The old harbor itself was lovingly restored with help from UNESCO. An easy walk down but a steep climb back up, the harbor is well worth a visit, with its village-like atmosphere, curio shops and Turkish *gulets* moored in the marina.

Getting Around

Getting around Antalya is fairly painless, especially in one of the ubiquitous yellow taxis; write the address you want on a piece of paper. Tourists like the creaking, horse-drawn phaetons plying the old quarter. Public transport is limited to buses and *dolmus* (fixed-fare taxis) and might pose linguistic problems. Most companies will send cars to pick you up for business appointments.

Unlike many of Turkey's untidy and congested urban centers, most of the city's new development has been planned in an orderly fashion, built toward a bypass highway that connects with highways to the north, and east toward the international airport, which was recently enlarged and upgraded.

In a Word

In the touristic areas of the city, foreign visitors should have little difficulty making themselves understood, with English, German and French the most widely spoken languages. For complex business discussions, a translator may be necessary, but English is becoming increasingly essential for Turkish executives from middle-management upward. Many shop signs are translated into English.

At a Glance

Take your bearings from the city's symbol, the prominent Yivli (Fluted) Minaret, with its eight grooved segments looking out above the old harbor toward the towering Beydaler mountains rising sharply behind the shoreline across the gulf. On the cliffs ringing the harbor stand the city walls built by the Greeks and later

CENTURIES OF INVASIONS and cultural influences have made Antalya into an open-air museum that is a mecca for visitors who like a historical backdrop to their sun, sand and fun.

For them, the Sheraton Voyager Antalya Hotel is the perfect place to stay, located as it is right between the turquoise waters of the Mediterranean and the center of the city.

Luxury marks every aspect of this modern hotel's accommodations. Each of its 409 rooms has a marble bathroom and a balcony with a view of either the Mediterranean or the Olympos Mountains.

Leisure activities run the entire gamut of possibilities. Surrounded by palm trees, the two-level swimming pool, one of the largest outdoor pools in the area, has a water cascade and a poolside bar. The health center has a lovely indoor pool, Jacuzzi, sauna, traditional Turkish bath, squash court and fully equipped gymnasium. Four outdoor all-weather sprung tennis courts are flood-lit for evening games. Water sports can be enjoyed during the summer on Konyaalti Beach.

For those who would rather lift a fork or a glass than a 50-pound weight, there are plenty of choices at the Sheraton Voyager Antalya. The La Fontaine is an all-day lounge that serves morning coffee, afternoon tea and evening cocktails, with live music in the evening. The foyer on the first-floor landing is a great place for cocktail parties or exhibitions.

Antalya Delight

With the Sheraton Voyager Antalya Delights Summer '96 Package, you can book a double room for only $69 per person per night, including a full buffet breakfast, 15 percent tax and a discount voucher booklet for restaurants and shops in the hotel and city. Minimum stay of four nights. Offer valid until Oct. 20, 1996.

To book, call the following ITT Sheraton toll-free numbers: 0800-353-535 in Britain, 0130-853-535 in Germany, 05 906 535 in France, 900 993 901 in Spain.

The Maritime Restaurant serves international cuisine, especially fresh fish, in an informal ambiance. The indoor-outdoor Panoramic Restaurant is open all day and specializes in Turkish and international dishes; needless to say, it offers spectacular views. The Islander Beach Restaurant and Bar is located right on Sheraton's private stretch of beach and serves lunch in season. Guests dance till the wee hours at The Cotton Club. The Tropic Terrace is a poolside lunch spot, and the Löwen Pub offers drinks and snacks till 1 A.M.

Any businessperson would be thrilled to discover that his or her next conference or meeting is to be held at the Sheraton Voyager Antalya, which has eight fully equipped meeting rooms. The elegant Grand Ballroom can accommodate up to 800 people. All the latest audiovisual equipment is available. To top it all off, the hotel can organize special theme evenings that will make the conference unforgettable: barbecue parties by the pool or on the beach, a Turkish bath party complete with belly dancer and Turkish food, or a 1001 Nights evening in the Grand Ballroom, decorated in the style of an Ottoman palace, with all the guests in authentic Ottoman costumes.

Sheraton Voyager Antalya Hotel: Tel.: (90-242) 243 2432. Fax: (90-242) 243 2462.

Calling Around

The Antalya province domestic code is 242, which is not necessary when calling within the province. It is prefixed with a 0 when dialing from elsewhere in Turkey, as are other internal codes. The code is prefixed by 90 when dialing from abroad.

- Directory assistance: 118.
- Emergencies: Ambulance, 112; Police, 155; Fire, 110.
- Honorary Consulates: Austria: 245 1800 or 245 1020; Germany: 241 3318; Italy: 248 5090; Spain: 241 7770; Sweden: 242 0910; Britain: 247 7000.
- Dentist: 242 0594. German spoken.
- Hospital: Antalya Private Hospital, 335 0000. English and German spoken.
- Translation Services: Net Center. Tel.: 248 0338, fax: 248 6747.
- Pharmacies: Each district has a pharmacy that is reachable 24 hours in emergencies; they are listed in the windows of pharmacies.
- Tourism Information: 247 05 41, 247 5042 or 242 1833.
- Turkish Airlines (Airport): 330 3030, 330 3230 or 330 3221.

Wining & Dining

Antalya offers a wide variety of restaurants, mostly serving international or traditional Turkish cuisine, with an emphasis on seafood. Imported wines are expensive, but the homegrown products are quite palatable, particularly the robust red Yakut, the fruitier Villa Neva and the Cankaya whites. Nightlife is concentrated in Kaleici, the old quarter. For the energetic, the Club 29 restaurant turns into a disco after-hours, and the Olympos Disco is generally reckoned to be the best on the entire southern coast.

Restaurants:

Club 29, Antalya Marina, Kaleici. Tel.: 241 6260. Tastefully renovated warehouse with outside terrace overlooking the old harbor. Favored by local executives and well-suited to business lunches. International and Turkish cuisine.

Kral Sofrasi (King's Table), Kaleici. Tel.: 241 2198. Turkish and international food in an old, dependable establishment with a pleasant balcony overlooking the old harbor.

Kirk Merdivan (Forty Stairs), Selcuk Mah. Musalla Sok. No. 2. Tel.: 242 9686. Small, elegant restaurant with classic Turkish cuisine.

Ship Inn, Setur Antalya Marina, Buyuk Liman, Antalya Free Trade Zone. Tel.: 229 1494. Breezy yachting ambience, as might be expected in a marina located in a commercial port. Serves international specialties and Turkish dishes. Non-members welcome; patronized by many locals.

La Trattoria, Fevzi Cakmak Caddesi, No. 3/C. Tel.: 243 3931. Italian-style dishes in a bistro atmosphere. One of the best international restaurants that the area has to offer.

Bars and cafes: Birdland Jazz Club, Hidirlik Kulesi Arkas, Hesapci Sok. 78/78A, Kaleici. Tel.: 242 1507. The place for the in crowd, with its terrace overlooking the gulf and Hidirlik Tower, one of the city's most curious remains, thought to have been a Roman lighthouse later converted into a tomb.

Rosemary's Patisserie, Konyaalti Caddesi, No. 46/1. Tel.: 243 6732. Luscious European (including Viennese) pastries and cakes. Proximity to the big hotels makes this a good breakfast or mid-morning rendezvous point.

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PROGRAM DIRECTOR: *Bill Mahder.*

Jim Bodgener

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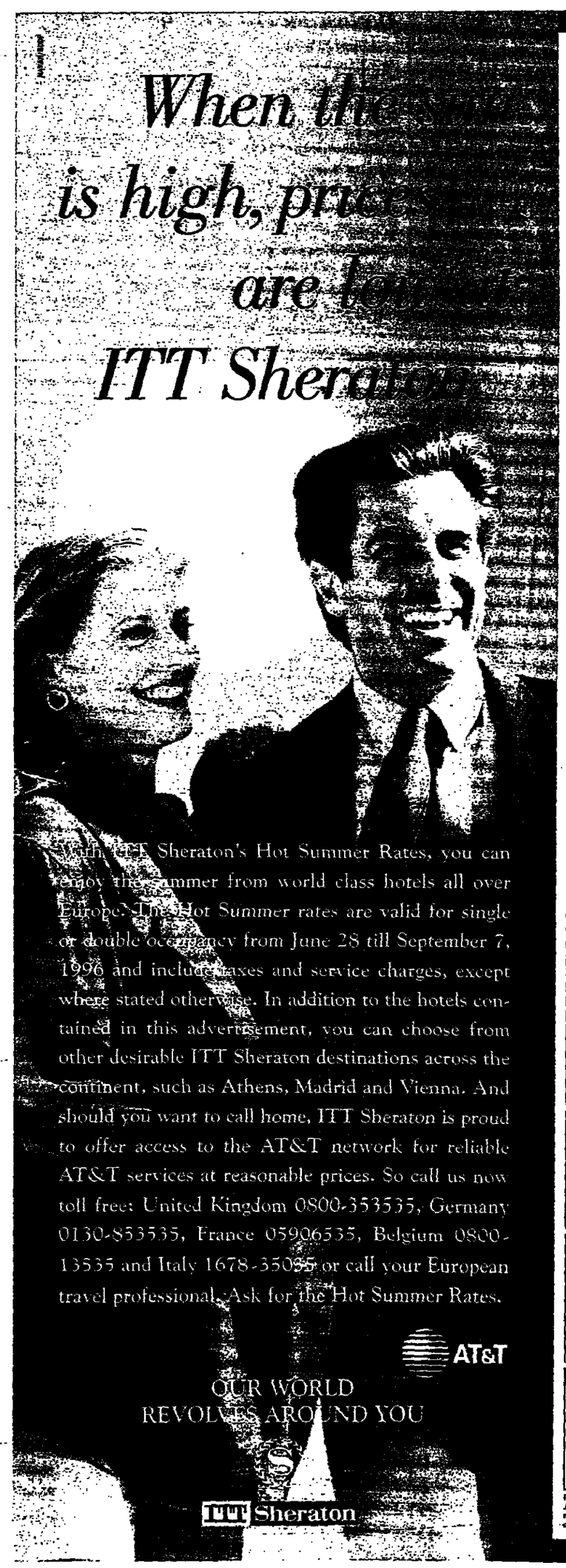

HOT SUMMER RATES

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Sheraton Ankara Hotel & Towers
Ankara, Turkey
Features: Situated in the shopping and business district, it dominates the local skyline and is just as impressive within. Includes 64 Tower rooms & suites.
U S $ 130 INCLUDES BUFFET BREAKFAST

ANTALYA (TURKEY)
Sheraton Voyager Antalya Hotel
Antalya, Turkey
Features: A true resort hotel situated on the beach front, between the Atlas mountains and the sea. Large range of sports proposed. Casino and specialised shops.
U S $ 105 TAXES AND SERVICE CHARGES NOT INCLUDED

BRUSSELS (BELGIUM)
Sheraton Brussels Airport Hotel
Zaventem, Belgium
Features: Just 39 steps from the airport, you have 5 star service. A short trip to the centre of Brussels, a good starting point for some of Belgium's scenic countryside.
B E F 4,600

GÖTEBORG (SWEDEN)
Sheraton Göteborg Hotel & Towers
Göteborg, Sweden
Features: A small town in itself, with 2 restaurants, shops, swimming pool and leisure club. Situated downtown near congress center.
S E K 990 FULL SCANDINAVIAN BREAKFAST

LISBON (PORTUGAL)
Sheraton Lisboa Hotel & Towers
Lisboa Codex, Portugal
Features: Close to the cultural and historic sites that make Lisbon a special treat. Relax on the hotel's sundeck or swim in the heated outdoor pool.
E S C 15,000 TAXES AND SERVICE CHARGES NOT INCLUDED

LONDON CENTRE (ENGLAND)
Park Lane Hotel
London, England
Features: Historic hotel with an ideal location on Park Lane. Walk to all of London's attractions and restaurants while enjoying old world charm.
U K £ 120 TAXES AND SERVICE CHARGES NOT INCLUDED

LONDON HEATHROW (ENGLAND)
Sheraton Heathrow Hotel
Middlesex, England
Features: Ideal location, convenient to both central London and Windsor Castle Windsor Safari and rowing at Henley. Complimentary airport shuttle.
U K £ 75 TAXES AND SERVICE CHARGES NOT INCLUDED

STOCKHOLM (SWEDEN)
Sheraton Stockholm Hotel & Towers
Stockholm, Sweden
Features: A waterfront location near old town, Royal Palace and museums.
S E K 1,040

ZAGREB (CROATIA)
Sheraton Zagreb Hotel
Zagreb, Croatia
Features: Brand new hotel located in the city center, surrounded by commercial and tourist attractions.
D M 170 TAXES AND SERVICE CHARGES ARE NOT INCLUDED

ZURICH (SWITZERLAND)
Sheraton Atlantis hotel
Zurich, Switzerland
Features: Enjoy health and fitness facilities on the premises in a scenic suburban location.
S F R 161 INCLUDES BUFFET BREAKFAST

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New Knesset Sworn In But Cabinet Is Delayed

Peres, in Valedictory, Appeals for Peace

By Serge Schmemann
New York Times Service

JERUSALEM — The newly elected Israeli Parliament was sworn in Monday with a trumpet fanfare and a poignant speech from the retiring prime minister, Shimon Peres, but the country was still without a new government.

After failing to resolve disputes over the allocation of cabinet portfolios, the prime minister-elect, Benjamin Netanyahu, postponed the introduction of his government until Tuesday.

That left the stage in the brief inaugural session to Mr. Peres, who since his narrow election loss on May 29 has maintained a low profile.

The 72-year-old Mr. Peres, who in his 50-year career in Israeli politics held many senior posts but failed in four attempts to lead the Labor Party to victory in a national election, pledged to continue working for peace with the Palestinians.

"I have been given an unusual opportunity to serve my nation in different tasks, and I am full of thanks," Mr. Peres told the Knesset.

"I have seen the country struggling and alone. I see the country flourishing and developing, and climbing from height to height.

"And now it is for us to build a peace which will express the culmination of the Zionist dream. The majority of my years in public service I spent to bring Israel security and peace.

"From now on it is my intention to dedicate all my efforts and energies, from within the Knesset and from outside the Knesset, to the cause of peace."

The last-minute snag over a cabinet evidently arose over Mr. Netanyahu's offer of the Housing] to Ariel Sharon, a hard-line former general who used the same ministry in the last Likud government to push the construction of settlements in the occupied West Bank.

On Sunday, Mr. Sharon and other senior Likud members looked as if they might end up without portfolios. But Mr. Netanyahu reportedly came under pressure from party elders overnight and, in addition to offering the housing post to Mr. Sharon, also assigned the Finance Ministry to Dan Meridor, another senior Likud member.

That appeared to conclude the process, which has been marked from the outset by bitter disputes among the six parties in the coalition over the spoils of their election victory. But then an ultra-Orthodox religious party, the United Torah, said that Mr. Netanyahu had promised to keep the Housing Ministry for himself and to give the religious party the deputy minister's post.

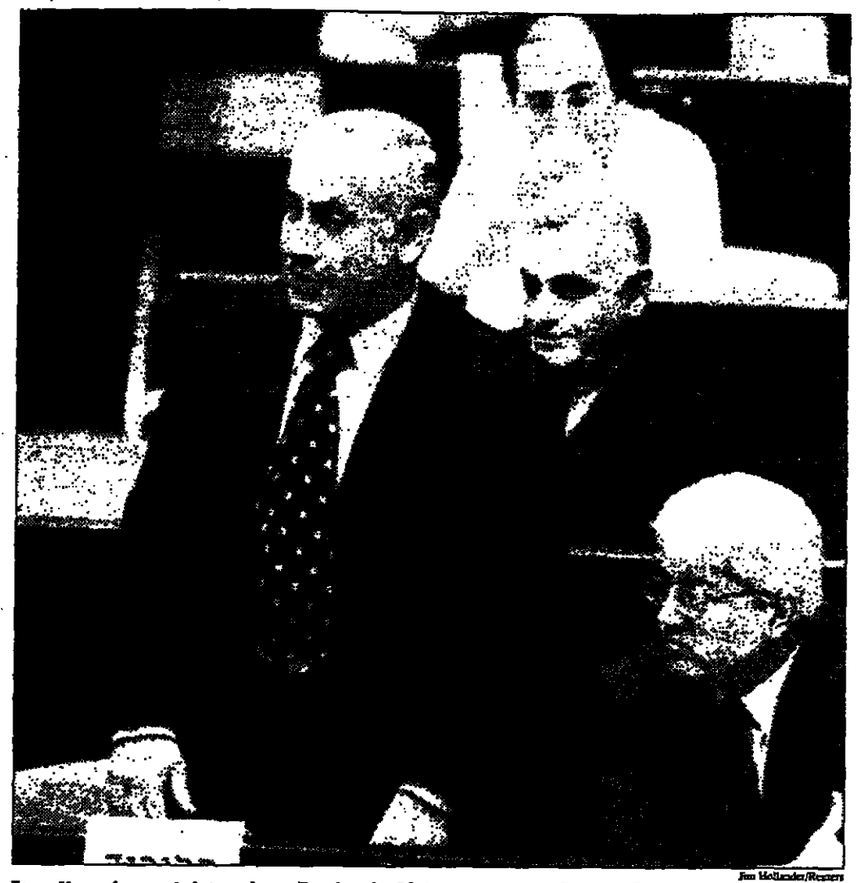
Mr. Sharon was said to be livid. His spokesman had already announced his acceptance of the housing portfolio when he received a faxed copy of the agreement with the United Torah party. There was no immediate indication how Mr. Netanyahu would placate him.

But leaving the Knesset building, Mr. Netanyahu declared, "There will be a government tomorrow."

The incoming prime minister's problem is that his own Likud bloc won only 32 seats in the 120-seat Parliament, requiring him to barter with five smaller parties of differing ideologies and programs.

Some of the most difficult negotiations have been with three religious parties, which have made tough demands for more housing and schools and for full control over all religious affairs.

But other coalition partners — most notably the party of immigrants from Russia led by the former Soviet dissident Natan Sharansky, which won seven seats — vied for many of the same perquisites, or resisted the religious controls demanded by the ultra-Orthodox parties.



Jim Hollander/Reuters

Israel's prime minister-elect, Benjamin Netanyahu, standing as he was sworn in as a member of the new Knesset. He promised to announce a new government by Tuesday.

Iraq Called Unbending on Arms Inspections

Visit by UN Official Expected to Fail

Reuters

BAGHDAD — Iraq is unlikely to give in to pressure to change its stand on blocking inspection by United Nations weapons experts when a senior UN official, Rolf Ekeus, visits Baghdad, diplomats and analysts said Monday.

They said they expected that Iraq's government, angered by another search of its facilities, would be uncooperative unless the UN offered a timetable for the end of its disarmament activities here.

Baghdad, the diplomats and analysts said, will demand that the UN commission, which is overseeing the scrapping of Iraq's weapons of mass destruction under the 1991 Gulf War cease-fire, introduce fresh inspection procedures.

Mr. Ekeus, the commission chairman, is due in Baghdad on Wednesday. A team of 53 UN arms experts left the Iraqi capital Sunday after futile attempts to gain access to five installations that Iraq has declared vital to its sovereignty.

The commission suspects that Iraq is still hiding 15 long-range missiles and documents about its weapons programs.

Iraq insists it has nothing left to hide and accuses the commission of delaying the lifting of curbs on its oil exports, part of comprehensive UN trade sanctions imposed for its 1990 invasion of Kuwait.

Baghdad Gets Into Disarmament Forum

Reuters

GENEVA — Iraq won a long battle for membership in the international Conference on Disarmament Monday after promising not to veto any of the body's decisions for at least two years.

After a weekend of closed-door negotiations, the 38 members of the influential United Nations-sponsored forum agreed by consensus to admit 23 new members, including Iraq, Syria, Israel, North Korea and South Africa.

The United States blocked the forum's expansion three years ago, arguing that Iraq should not be allowed to hold veto power on the conference — which always operates by consensus — while it is still under UN sanctions for its 1990 invasion of Kuwait.

Under a rather cumbersome compromise brokered by South Africa, all 23 will have to forgo their veto right for at least two years and Iraq would have to do so for even longer if it remained under UN sanctions.

The U.S. ambassador, Steven Ledogar, said that Washington's essential condition had been met — Iraq alone could not block the work of the conference — although he said the compromise blurred the fact that Iraq had been the only obstacle to expanding the forum's membership.

Abbé Plays Down Holocaust Figure

Number Unimportant, He Says

Agence France-Presse

GENEVA — Abbé Pierre, the French campaigner for the homeless who is at the center an angry debate over Holocaust revisionism, risked reigniting a controversy Monday by saying that the exact number of Jewish victims of Nazism was of no importance.

The 83-year-old Catholic priest, who regularly leads French popularity polls, said that it was of little importance whether 6, 7, or 5 million Jews were massacred by Hitler because there were 50 million victims of Nazism.

In an interview published Monday in a Swiss daily, Le Matin, Abbé Pierre also said that, according to the Bible, the Jews committed a genocide comparable with the Holocaust when they entered Palestine 11 or 12 centuries before the birth of Jesus.

Abbé Pierre sought refuge in an Italian monastery recently after he supported a French writer and friend, Roger Garaudy, who questioned the scale of the extermination of Jews during World War II. The priest is now on vacation in the Swiss resort of Zermatt.

Mr. Garaudy, a former Communist who converted to Islam, has been charged in the French courts with denying the Holocaust — a crime in France — in his book, "The Founding Myths of Israeli Policy."

In the interview, Abbé Pierre said, "There were not 6 million victims because of Hitler, there were 50 million. And of what importance is it that there were 6 or 7 or 5 million persecuted Jews?"

The priest said that if there had been only one victim killed because of his religion or race, then we should denounce it as "a crime against humanity."

Criticizing the Zionist movement, which he said was "based in the United States with world ramifications," Abbé Pierre said it was founded on a verse in the book of Genesis in which God promised Abraham the land between the river Nile and the Euphrates.

The priest went on: "The Zionist movement says 'Israel, we don't care, we don't care about the Palestinians either. What we want is the empire promised to Abraham.' And this movement is plotting worldwide for that."

Abbé Pierre said he saw nothing revisionist in Mr. Garaudy's book.

"All my life I have been intrigued by the people of Israel," he said, "and reading the Bible I note that when Joshua crossed the Jordan to enter the Holy Land, he killed everyone down to the last chicken."

"It was the Shoah before the Shoah," he said, using the Hebrew word for the Holocaust. "But I also say yes, the people of Israel were victims of the madness of Hitler, and of many others."

Mr. Garaudy's book was seized and banned in Switzerland last week under a law that prohibits minimizing or justifying genocide or other crimes against humanity.

Abbé Pierre founded the huge Emmaus charity, which raises funds by selling second-hand furniture and clothes, at the end of World War II when there was a severe housing shortage in France.

Because of the Garaudy affair, the priest has been excluded from the International League Against Racism and Anti-Semitism, repudiated by the Catholic hierarchy and even condemned by Emmaus.

THERAPY: *Alternative Medicine Is Booming, Alarming Experts*

Continued from Page 1

A growing number of health insurance companies, which increasingly set the standards for care, now cover once obscure treatments like naturopathy.

Practitioners of naturopathy say that disease arises from blockages in the flow of a life force through the body and that cures follow from treatments like acupuncture and homeopathy, treating patients with infinitesimal amounts of substances that in larger doses might produce symptoms of disease.

Meanwhile, many makers of alternative remedies have been reporting record sales. This financial growth is a direct result, analysts say, of a 1994 federal law that curbed the regulation of the industry by the Food and Drug Administration.

Many doctors, scientists and government officials sharply criticize the practice of alternative medicine, saying that at best it does no harm and at its worst can cause real danger. While conventional medicine adopts procedures that are consistent with established scientific hypotheses, and drugs must be stringently tested and approved by the FDA, alternative medicine practitioners can use therapies based on whims or discredited science, and their methods have not undergone rigorous tests.

The critics of alternative medicine point to reports about the dangers posed by some alternative treatments. Herbal preparations like mahuang, used in dietary supplements and in widely available mood-altering products, have caused deaths, as have coffee enemas, said to treat cancer and other diseases by detoxifying the body.

The National Heart, Lung and Blood Institute has documented cases of kidney failure and death in people who have had chelation therapy — the intravenous injection of the synthetic chelating agent EDTA — advertised as a treatment for heart disease and ailments like Parkinson's disease, Alzheimer's and sexual impotency.

The very name "alternative medicine" is Orwellian newspeak, implying that it is a viable option, said Dr. Marcia Angell, executive editor of The New England Journal of Medicine. "It's a new name for snake oil," she said. "There's medicine that works and medicine that doesn't work."

Dr. Arthur Caplan, director of the Center for Bioethics at the University of Pennsylvania, said: "Some say, 'Look, why not let desperately ill people do what they want? Why stand between them and the latest piece of shark cartilage?' "

But he disagrees. Dr. Caplan is gravely concerned, he said, that because of alternative medicine, some patients will reject reliable mainstream treatments. Practitioners of alternative medicine, he said, encourage patients to think that "somehow, just by being out of the mainstream, nothing is risky or really dangerous or has side effects." It is, he said, "ridiculous to say that chemotherapy can cause side effects but chelation therapy or coffee enemas, that's completely without risk."

Alternative medicine encompasses a range of treatments outside those commonly accepted by the medical establishment. Generally, such treatments have not passed clinical trials. Although many medicinal herbs have pharmacologically active components, the focus of alternative medicine is not to isolate and test those ingredients.

Alternative medicine includes therapies offered by chiropractors, acupuncturists and homeopaths. Also included may be treatments like aromatherapy, the use of aromatic oils for relaxation, which is also promoted as a cure for hundreds of diseases. Alternative medicines include herbs, taken for various ills; green algae pills, said to foster alertness, and shark cartilage, promoted as a natural cure for cancer.

The regulation of alternative practices varies. All states license chiropractors, but only some license acupuncturists, naturopaths, homeopaths and practitioners of Chinese medicine. Some practitioners are MDs, or have a DO, doctor of osteopathy, degree. But others come from a broad range of backgrounds, ranging from correspondence courses to academic programs in schools that specialize in the field.

REASONS: *Sumitomo Debacle Raises the Question: Why Japan?*

Continued from Page 1

come out, if the group recognizes that the playing out of reality jeopardizes group harmony, they try to put a lid on it."

While societal factors may play a significant role in the way corporations operate in Japan, some experts say the various cases of staggering losses are an offshoot of the decades of phenomenal economic growth in Japan since the end of World War II.

That growth built upon an archaic structure of regulations, business customs, a code of protection and weak controls that did not change sufficiently as the country's postwar economy began to bloom.

Some management consultants, scholars and executives say that while traders register losses everywhere in the world, accounting practices in Japan are outdated, risk-management systems are often vague, and control systems are not always strictly enforced.

Two huge losses have come to light in the last nine months alone. Toshihide Iguchi, a bond trader at the New York offices of Daiwa Bank, covered up $1.1 billion in losses absorbed over 11 years. As a result, Daiwa, one of the world's largest banks, was forced by regulators to get out of the banking business in the United States.

Now Yasuo Hamanaka, a copper trader at Sumitomo, is accused of hiding losses of $1.8 billion from his superiors for a decade.

Many business people suggest that Japan's opaque and rudimentary accounting system does not exert sufficient discipline in bookkeeping. Assets, for example, are stated at their acquisition price rather than at their market value, as in the West — no matter how long ago they were purchased or how much their value has increased.

That means that Daiwa Bank, Sumitomo and other companies can accumulate a huge amount of unstated profit over the years, even decades, in which they have held assets.

So while the $1.8 billion copper-trading loss attributed to Mr. Hamanaka represented 10 times projected net profit for this financial year and 27 percent of the company's net worth, Sumitomo also has several billion dollars in cash and perhaps about $7 billion in unrealized gains from marketable securities and real-estate assets, according to Nihon Keizai Shimbun, the country's leading economic daily.

While a market-value accounting system would not necessarily catch a trader who was falsifying trading slips outright, it does impose a kind of discipline.

A rigid corporate hierarchy and inflexible compensation system also contribute to the problems, putting uncommon pressure on star performers to derive reward from reputation. "It's a village mentality," said Mikio Kawamura, a finance professor at Tama University.

Anyone who proves successful is admired, and it is considered rude and a sign of jealousy to poke around and double-check whether the achievement is as solid as it seems, he said.

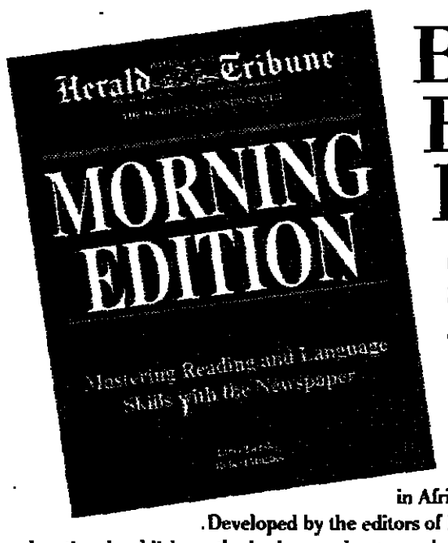
Mr. Kawamura, who has had extensive experience in managing metals trading, said this sense of the village often clashes with the discipline required for maintaining good internal auditing systems.

In Japanese companies, the wall between the front office, which trades, and the back office, which processes the transactions, is frequently not very high.

When a trader executes a purchase or sale, he sends the slip to the back office and his trading counterpart sends a confirmation slip, which should go directly to the back office.

"In Japanese companies, often that letter goes to the people who do the trades," Mr. Kawamura said. In the cases of Daiwa's Mr. Iguchi and Sumitomo's Mr. Hamanaka, both men were in charge of the trading as well as the accounting of their trades.

When a specialized trader becomes influential, like Mr. Hamanaka, he does not necessarily earn a fatter paycheck. Instead he enhances his reputation and expands his territory, and others back away.



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18-6-96

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
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100 Million Mutinies

It started as a trading post, but by midcentury it boasted 30,000 residents, and in four decades the population ballooned to more than a million, then doubled in 20 years. This was 19th century Chicago, where the rate of urban growth was as dizzying as anywhere in today's world. That experience affords a useful perspective for judging the Habitat II conference that has just ended in Istanbul.

The global urban explosion is not novel or inexorable and is not necessarily calamitous, contrary to the jeremiads it has provoked.

Nobody doubts the dangerous potential of the surging migration from rural areas to cities lacking clean water, adequate sewer systems or housing. The world's urban population, today reckoned at 2.5 billion, is expected to double by the year 2025, and the fastest growth will be in less developed Asia, Africa and Latin America.

Yet cities are also "centers of civilization," as the final text of the Habitat conference affirms. They are the cradle of democracy and indeed of politics, which derives from the Greek word for city. People live longer and learn and earn more in cities.

When the urban tide swells, so does the need for large-scale public investment in clean water, mass transit and cheap housing. No less important is the energy of ordinary people, private businesses and local government.

At first glance, it seemed a pity that ministers instead of heads of state represented Europe, Japan, Russia and the United States. But in fact the heads of state were scarcely missed by the 15,000 or so local officials and community leaders, including the mayors of Baltimore, Abilene, Texas, and Columbus, Ohio. This middle-level roster helps explain why there was less than the usual haggling over sonorous phrases in the final conference statement, and less jostling for the limelight.

If the quality of life is to improve in cities everywhere, it will require a hundred million mutinies, to borrow a good phrase from V. S. Naipaul, by ordinary people no longer resigned to dirty air, streets and slums. Istanbul was a useful beginning.

—THE NEW YORK TIMES.

Now Numbers 1 and 2 Court Numbers 3 and 4

By William Safire

MOSCOW — Boris Yeltsin brought off a *shturmoushchina.* That's the Russian word for a horse far off the pace who suddenly storms toward the finish line. It also describes a stumbling politician who shakes off his lethargy and overwhelms criticism of his sorry record by zestfully demonizing his most dangerous opponent.

The opening round is over. Neither Boris Yeltsin nor his Communist challenger, Gennadi Zyuganov, has won a majority. Now the dealing begins. From what source can Mr. Yeltsin get the support for a popular majority?

A month ago, he met one on one with Grigori Yavlinsky, the only vote-getting reformer, and told him: "You have 10 million voters. I want them." Mr. Yavlinsky replied, "You must give me the arguments to present to my people: Stop the war, privatize property, fire your anti-reform cabinet."

According to Mr. Yavlinsky, Mr. Yeltsin said "yes" — but two days later changed his mind. Palace guardians were dead set against letting the youthful economist sweep them aside.

Apparently the Yeltsin coterie figured that fear of the Communist candidate would force Yavlinsky followers to support the president in the runoff, with no need for solid reassurance of a return to democratic reform.

Instead, Mr. Yeltsin turned to Alexander Lebed to appeal to those nationalists and anti-Chechen-war militarists who were leaning toward the Communist. The more malleable General Lebed was given a final-week infusion of money, television coverage and attention from Mr. Yeltsin as a potential successor late last week.

General Lebed is derogated as the thinking man's Vladimir Zhirinovsky. "Unemployed intellectuals and veterans are for Lebed, unemployed drunks and lechers are for Zhirinovsky," was the simplistic way a Yeltsinite explained it to me. The election surprise is General Lebed's strong third-place finish.

Can General Lebed, "the third man," deliver for President Yeltsin in the runoff? Or will a large part of his nationalist vote follow the fading Mr. Zhirinovsky to the Communist?

Many of those who voted for General Lebed despise Mr. Yeltsin. They admire the dour general for opposing the president's war on Chechnya. They also see a stern Pinochet visage with a commanding glare and hear a rasping basso voice, and interpret that as a man who can crack down on the rampant crime that President Yeltsin has tolerated. General Lebed's support may split in the runoff.

What of Grigori Yavlinsky, advocate of freedom, at whose expense Mr. Yeltsin helped build up General Lebed, advocate of order? Although he is running fourth, he built a national party organization that no other non-Communist can claim. His supporters are young activists and entrepreneurs.

"This election has shown," he said as results flowed in, "that now there is not a village in all of Russia that does not have some active believers in freedom." His time will come, perhaps in association with General Lebed.

As autocrat Yeltsin faces Communist Zyuganov in the runoff next month, we should disabuse ourselves of the notion that this is a race between good and evil. It is between autocratic-corrupt and despotic-repressive. The Communist, aware of the fear of more wrenching change, has already said he would keep more than two-thirds of the Yeltsin apparat. Communists tyrannically made their party the government; Mr. Yeltsin wrongly makes his government his party.

"This is not a contest between capitalism and communism," a disaffected Yeltsin associate tells me. "It is between a misguided capitalism and a yearning for order. The vote for Communists is not a vote for communism; it is a vote against misery. If Zyuganov wins and tried to carry out his platform, there would be an uprising."

At the election-watch party given by Moscow News, I ran into Victor Sukhodrev, the great Soviet interpreter chosen by Richard Nixon to be his voice at a summit in the long-ago age before Russian elections. He took me over to Yelena Bonner Sakharov, the legendary dissident.

"I voted and worked for Yavlinsky," she said through the professional who had been the voice of Leonid Brezhnev, "to send a message to Yeltsin not to forget the dream of democracy." She saw possibilities in General Lebed, too. "In wartime, I would have served as a medical officer in his army."

The New York Times.

The Internet Is Different

A Philadelphia court ruled last week that provisions of the so-called Communications Decency Act are unconstitutional, saying in an emphatically worded decision that the effort to criminalize Internet transmission of "indecent" material to minors was badly drawn and overly broad and that it placed sweeping restrictions on adults' constitutional rights to view material acknowledged to be protected by the First Amendment. It is a well-deserved rebuke to a sloppily drawn law that the administration should never have got so enthusiastic about in the first place, although it was more or less obliged to defend the provisions in court after the president signed the telecommunications law of which it was a part.

The decision was a relief to a wide range of libraries and educational and civil liberties organizations, which, along with computer companies and commercial Internet providers, had signed on to the lawsuit out of concern that they might end up facing criminal prosecution for distributing materials that some locality, somewhere, might deem indecent.

The decision, like the challenged law, has no effect on the status of materials that are already considered obscenity or child pornography; these were illegal on the Internet, as elsewhere, and they continue to be. But if the "indecency" provisions had stood, as the court understood and properly stressed, they could have been applied to criminalize discussions and artwork that might have been considered indecent in one locality — for instance, nude sculptures in a museum collection, or the discussions among members of one plaintiff group, Stop Prison Rape.

The undefined nature of the categories deemed criminally actionable under the "decency" provisions was a key element in the court's decision, as was the still changing and incompletely understood nature of the chaotic new medium itself.

The administration may yet appeal the decision to the Supreme Court, but the Philadelphia panel, at least, appears not to have found the issue a particularly close call.

The decision offers 84 paragraphs of Internet history and description, stipulated as accurate by both sides, that might profitably be read by those who insist on comparing the electronic medium to television or telephones. It makes clear that Internet communication does not share the special characteristics that have been used to justify greater scrutiny of broadcasting, such as being "uniquely pervasive" and "uniquely accessible to children."

"Although content on the Internet is just a few clicks of a mouse away from the user," Chief Judge Dolores Sloviter wrote, "the receipt of information on the Internet requires a series of affirmative steps more deliberate and directed than merely turning a dial." Rather, she wrote, the public interest weighs clearly in favor of "a free flow of constitutionally protected speech."

While the government argued that technology would likely arise to make it possible for Internet users and content providers to protect themselves from the law, whether by credit card proof of being over 18 or a hypothetical "tagging" system, judges pointed out that such technology does not yet exist and, ironically, would probably be best at protecting commercial pornography sites while leaving unprotected or silencing a wide range of nonprofit, health or literary discussions.

The president has said that, whether or not the administration decides to appeal the ruling to the Supreme Court, he would "continue to do everything I can in my administration to give families every available tool to protect their children" from "objectionable materials transmitted through computer networks." He can do that a lot better by leaving this decision alone.

—THE WASHINGTON POST.

An Unseemly Matter

With each new disclosure, the Clinton administration's handling of sensitive FBI files seems more maladroit and disheartening. While it remains unclear whether White House aides were pursuing a political agenda in rummaging through the files, it is now apparent that there was great potential for mischief. Both the White House and the FBI showed remarkably little regard for the privacy rights of Americans in their cavalier treatment of background files on more than 400 men and women who worked in recent Republican administrations, including former Secretary of State and Bush campaign manager James Baker.

Howard Shapiro, the FBI's general counsel, was unflinching in his report on the bureau's role in this unseemly matter, finding a failure to safeguard files against misuse. Despite the 1974 Privacy Act and other remedial measures adopted after the Nixon administration's abuses, Mr. Shapiro concluded, the FBI remains deferential to the White House in providing information from investigative files "without reflection."

In the latest case, the FBI shipped hundreds of files to the White House without first determining whether there was any legitimate need for them. There none, because most of the individuals in question had already left government service. New safeguards imposed in the wake of this affair offer the hope of more careful conduct, and they include a requirement in nearly all cases that the person whose file is being requested by the White House grant approval for the transfer.

Bill Clinton and his aides have apologized for the incident and attributed it to inexperience and inept management. They said that an outdated list of White House pass holders was mistakenly used in a 1993 effort to accelerate the clearance process for new staff members and that there was no intention to compile damaging information on political opponents. That explanation has not been discredited, but it is looking shakier. It turns out that the two men primarily responsible for the White House document request were longtime Democratic Party political operatives.

A final judgment on this matter cannot yet be made, but it is already abundantly clear that neither the White House nor the FBI acted with the kind of care and restraint that Americans expect of their government.

—THE NEW YORK TIMES.

Get Moving and Ratify the Chemical Weapons Convention

By Amy E. Smithson

WASHINGTON — More than a year after terrorists unleashed poison gas in Tokyo's subway system, there is no U.S. or international law against manufacturing chemical weapons.

This legal gap is all the more inexcusable given that the Chemical Weapons Convention, designed to curb proliferation and oversee global elimination of such weapons, has been awaiting the U.S. Senate's advice and consent to ratification since November 1993.

The convention will establish a legal framework, widespread monitoring of chemical activities and automatic economic sanctions that put the squeeze on states which do not join. With supply lines cut off, Libya's Moammar Gadhafi, reportedly building a big underground chemical weapons plant, and other would-be proliferators might have to mothball their chemical weapons programs.

The United States is in the same situation today that Japan was in before a cult killed a dozen people and injured more than 5,000 by releasing the nerve agent sarin in March 1995. Without laws and penalties for aspiring chemical terrorists, a disgruntled U.S. citizen such as the Unabomber can with impunity brew a deadly batch of poison gas.

While 160 of the world's countries have signed the convention, how aggressively Washington exercises leadership will determine its success or failure. To activate the treaty, 65 countries must ratify it. The Senate Foreign Relations Committee's favorable vote on the treaty in April cleared the way for floor action, but Bob Dole did not schedule a vote before leaving the Senate.

His successor as majority leader, Trent Lott, recently stated his intention not to "withhold" the convention. Bill Clinton has occasionally praised the treaty but has yet to pound the presidential bully pulpit to insist on Senate action.

By all accounts, except for those of a handful of Cold Warrior critics, the convention is a commonsense deal.

Under a 1985 congressional mandate, the U.S. Army is already unilaterally destroying all but 2 percent of the huge U.S. chemical weapons stockpile. The convention, which requires the elimination of arsenals and production facilities, would compel other chemical weapons possessors to follow suit.

The annual $75 million cost to maintain the aging U.S. stockpile dwarfs the less than $20 million that the United States would pay for the convention's routine monitoring of chemical activities worldwide and its short-notice, challenge inspections to investigate suspicions of foul play.

The Pentagon, the intelligence community, the chemical industry and the general public all back the treaty, which was negotiated by the Reagan and Bush administrations. The chairman of the Joint Chiefs of Staff, General John Shalikashvili, has testified that the Pentagon will call upon overwhelming and devastating force to deter and defeat a chemically armed opponent and will continue its top-notch chemical defensive programs, as the treaty allows.

Although acknowledging the difficulty of detecting small-scale treaty violations, the intelligence community told the Senate that the convention's data declarations and inspections will make it easier to identify and isolate proliferators.

Chemical industry leaders have warned the Senate that their overseas customers will begin switching to suppliers in states that have ratified the treaty. The Senate's postponement of a vote will have a negative impact on a $60 billion U.S. export business and the jobs associated with it. A recent poll of more than 1,000 Americans showed that more than 75 percent support the convention's ratification.

Ratification of the convention will put muscle behind rhetoric about nonproliferation.

The writer, a senior associate at the Henry L. Stimson Center, contributed this comment to The Washington Post.

Save Like Germans and Japanese? No, America Does Better

By Robert J. Samuelson

WASHINGTON — By the conventional wisdom, we Americans are a slothful lot. We overconsume, undersave and underinvest. Compared with the frugal Germans and Japanese, we are self-indulgent. They invest; we shop at the mall. Economists and their political patrons preach this gospel and promote various "pro-saving-and-investment" plans as cures.

Well, the sermon stinks. The "savings gap" is mostly makebelieve.

Americans invest their savings so much more efficiently than the Germans and Japanese that the lower U.S. savings rate is mostly offset. German and Japanese investment efficiency — the "capital productivity" of factories, machinery, airplanes, buildings and the like — is only two-thirds the U.S. level, reports a study by the McKinsey Global Institute.

As a result, Americans can spend more of their incomes on consumption without jeopardizing future living standards through stunted investment. In 1993 we saved about 15 percent of our gross domestic compared with Japan's 33 percent, for much the same result.

To see why, consider the proverbial widget factory. Suppose it costs $1 million for a factory in Germany or Japan. In America, it would cost about $600,000. The remaining $400,000, which otherwise would have been channeled into investment, can be spent on anything from clothes to health care.

The U.S. advantage will shock anyone who thinks that the Japanese and Germans are bound to overtake American living standards. In 1993, average incomes in Japan and Germany, measured as GDP per person, were 83 and 85 percent of the U.S. level.

For many decades after World War II, Japan and Germany closed the gap between their living standards and America's. But it is no longer narrowing, and many earlier gains reflected the "catch-up" of adopting known technologies.

Societies generally get richer by working hard, investing and being productive. The McKinsey study compared the United States, Germany and Japan. On a per-person basis, Germany has about 13 percent more invested capital (plants, offices, stores) than the United States, and Japan has about 22 percent more. But their capital productivity is only 65 and 63 percent of U.S. levels.

Work patterns vary more. The Japanese — with short vacations, long work hours and low unemployment — work about 40 percent more per person than Americans, but their labor productivity is only 55 percent as high. German labor productivity is 90 percent of the U.S. level, but the Germans — with short work hours, long vacations and high unemployment — work only 82 percent as much.

How can these figures be squared with, say, Japan's success in industries like autos? Easy. "Japan has a dual economy," says Bill Lewis of McKinsey. "About 40 percent of their manufacturing sector is truly world-class," but much of the rest is dreadful. In food processing, capital productivity is only 64 percent of the U.S. level. And nonmanufacturing, about 70 percent of the economy, is worse.

The same is true, to some extent, of Germany. In telecommunications, its capital productivity is 38 percent of the American level.

One obvious conclusion is that neither Japan nor Germany has perfected an "economic model" that outperforms the American. Both countries regulate their economies through cartels, subsidies and protections. The American system is more open and chaotic. Although often wasteful, it is less so than the alternatives, because mistakes are more rapidly punished by the market than by bureaucrats, politicians or cartels.

The U.S. stock and bond markets, pressuring managers to be profitable, compel better use of capital than German and Japanese banks, which play a pivotal role in allocating those societies' investment funds. Extra competition generally spurs higher U.S. productivity.

In Germany, informal quotas have shielded automakers from Japanese competition. But the capital productivity of the German auto industry is 65 percent of that of American carmakers.

As for the "savings gap," it mostly reflects economists' and politicians' quest for relevance. Saving is made to seem scarce by the use of misleading concepts like "net savings." This reduces total saving by depreciation (obsolescence). The idea is that we are just replacing stuff that is worn out.

This has a textbookish appeal which ignores the fact that new investment (say, a CT scan for an X-ray machine) is often totally unlike the old. U.S. investment is made to seem trivial, when in 1995 it exceeded $1 trillion.

All sorts of policies are promoted as tonics for alleged "undersaving." Some, such as balancing the budget or simplifying the tax code, are desirable, but all are oversold as quick ways to raise economic growth. The appeal of these pitches is marred only by their denial of the commonsense lesson of Germany and Japan: It's not just how much but also how well you invest that counts.

The Washington Post.

Italy Needs Federalist Solutions

By Anthony Lewis

MANTUA, Italy — The most memorable course I had in college was taught by a refugee from Mussolini's Italy, Gaetano Salvemini. He brought passion to the subject: the Risorgimento (literally, resurgence), the 19th century movement that created a united Italy from a quilt of separate little kingdoms, republics and territories occupied by foreign powers.

It was a movement of not only politicians but poets and composers — Verdi, for one. Italy had not been one country for more than a thousand years when in 1870 the Risorgimento achieved the goal of unification. Every Italian schoolchild learns the romantic story, and every city has streets and squares named for its heroes: Cavour, Garibaldi, Mazzini.

Given that history, it is hard to imagine a serious political party in Italy calling for the country to be divided. But that is the platform of the Northern League, which won 10 percent of the national vote in the elections two months ago.

The league says it wants Italy's northern provinces to secede and form a new country called Padania. The name comes from the Po, the great river that crosses the north from near Turin in the west to below Venice in the east.

Padania would encompass most of the industry that has created an economic miracle in Italy in recent decades. Measured separately, the area has the highest per capita income in Europe.

There's the rub, according to the league. The people of the north would be really rich and happy if they were on their own, the league argues, but they are bled by taxes to subsidize the poorer regions of southern Italy.

Umberto Bossi founded the Northern League 10 years ago on that theme. In coarse and scornful language, he denounces the south as backward not only economically but culturally. The Mafia, he says, is the real beneficiary of public works projects undertaken by the national government in southern provinces.

Secession did not used to be Mr. Bossi's platform. I interviewed him a year ago and asked him whether he had that in mind. He answered: "Certainly we all consider ourselves Italian, so I don't see that there will be a secession ... We hope we'll be remembered for having increased awareness of federalism."

But in the run-up to April's election Mr. Bossi called for secession. And after the league's good showing — north of the Po it won more votes than any other party — he became much more strident. He convened a "parliament" here in Mantua, which he named the capital of his new country, and appointed a Padania Liberation Committee. Last month the "parliament" named a shadow government of Padania.

It is a little hard to take all this seriously. Padania sounds like a country of which Groucho Marx would be ruler. (He was dictator of Freedonia in "Duck Soup," a film that Mussolini banned in Italy.) Mantua, a beautiful city with glorious Renaissance squares, has a population of just 53,000 and is a political backwater.

But Umberto Bossi is not a joke. He has the earmarks of a nasty demagogue. He dresses Northern League youths in green shirts, a gesture reminiscent of Mussolini's blackshirts. He shouts down critics by calling them "fascists" or "mafia." At a recent rally his toughs removed two television crews while Mr. Bossi shouted "Raus, raus," the language of Nazi storm troopers.

And there is Mussolini in Italy's history. Despite all its wonderful qualities, this country fell into the hands of a demagogue not so long ago.

Today's Italians do not seem likely to fall for Umberto Bossi and his idea of secession. Even people sympathetic to the Northern League often say they are embarrassed by Mr. Bossi's extremism and his crudeness. In local elections last week the league did poorly in cities where it had done well in April.

What remains is the discontent that Mr. Bossi has shrewdly tapped — discontent with high taxes on business, with an appalling national bureaucracy and with corruption in public spending. All those cry out for federalist solutions, letting Italy's regions manage more of their affairs and keep more of their tax receipts.

That is high on the list of reforms planned by the country's new center-left prime minister, Romano Prodi.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Japanese Quake

YOKOHAMA — A terrible earthquake accompanied by a tidal wave has occurred in the northern province of Japan. Nearly the whole town of Kamaishi has been destroyed, and a thousand lives are reported to have been lost. The seismic disturbance lasted twenty hours, during which time there were 150 shocks.

1921: Bathing Dress

CHICAGO — Predictions of a hot spell in Chicago have caused city officials to advance the date of opening the municipal bathing beaches, and regulations for women's bathing costumes have been promulgated. Last year Superintendent W. M. Bankhardt told the women, "Let your conscience guide your costumes." Now he says, "Some of the ladies did not seem to have any conscience." As a result, rules have been published that women must wear knickerbockers to within four inches above the knee and skirts within two inches of the bottom of the knickerbockers.

1946: Top Earners

WASHINGTON — Movies, horse racing and motor making accounted for the first five places in the Treasury Department's listing of 593 top-paid Americans in 1944. Movie producer-director Leo McCarey, with earnings of $1,113,035, headed the list, while Charles H. Strub, Vice-President of the Los Angeles Turf Club, was in second place with $466,537. Top-paid woman and 35th in the list, which included fewer than a dozen of her sex, was actress Carmen Miranda, who received $201,458. Four business men and a movie executive made up the lower half of the top ten.

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OPINION/LETTERS

Republican Power Base Switches to the South

By David S. Broder

WASHINGTON — The Southern takeover of the Republican Party is now almost complete. With the election of Mississippi's Trent Lott as the new Senate majority leader and Oklahoma's Don Nickles as his deputy, the majority whip, the six top leadership positions in the House and Senate are now entirely in the hands of men who represent states below the 37th parallel.

Bob Dole of Kansas, the presumptive Republican presidential candidate, is the only Republican leader with roots in the historic Midwestern base of the party of Lincoln. And he owes his impending nomination to a victory in the South Carolina primary that offset weak showings in Iowa and New Hampshire and presaged a near-sweep of the South.

In a quick and radical change, Southerners now hold the top leadership positions in both the House and Senate.

South Carolina is the home of the Senate president pro tempore, Strom Thurmond. Georgia sent the House speaker, Newt Gingrich, to Congress. The men who run the floor operation for Mr. Gingrich, the majority leader Dick Armey and the majority whip Tom DeLay, are both from Texas.

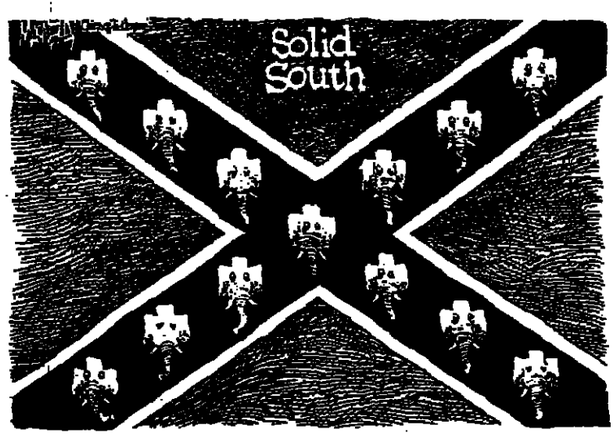
The changeover has been as rapid as it is dramatic. Just two years ago, Robert H. Michel of Illinois was the top Republican in the House and the Senate Republicans were commanded by Mr. Dole and Alan Simpson of Wyoming.

The shift is philosophical as well as geographical. All of these Republican leaders, past and present, are conservatives. But while Mr. Dole, Mr. Michel and Mr. Simpson are of the generation that looked to Dwight Eisenhower, Richard Nixon and Gerald Ford as their presidential models or pals, the Southerners now in charge are disciples of Ronald Reagan. It was President Reagan who really made the Republicans the party of choice for white Southerners. Without him, the Southern takeover of the congressional Republicans would not have been possible.

The transfer of the Republican power base from the Midwest and Northeast to the South is the single most important transformation in the Republicans' 20th-century history. The numbers are extraordinary.

In 1953, the last previous time when Republicans had a majority in both the Senate and House, John Sherman Cooper of Kentucky was the southernmost Republican senator — and the only one from the 13 Border and Deep South states. Only eight of the 221 House Republicans came from that region. Of the six top Republican leaders in that Congress, two came from Massachusetts, one each from New Hampshire, California, Illinois and Indiana.

It was much the same in 1960, the year Mr. Dole was first elected to Congress. Only four Republican senators and a dozen representatives



came from Dixie. This year, the comparable numbers are 18 in the Senate and 80 in the House — far more than any other region.

The transformation has many roots, starting with the population growth of the South. But much of it comes from Southern Democratic voters — and politicians — finding it more attractive to reaffiliate with the Republicans.

In that sense, Mr. Lott's ascendancy to the Senate majority leadership is even more emblematic than Mr. Gingrich's feat last year in becoming the first-ever Republican speaker from the South. Where the Pennsylvania-born Gingrich was a lifelong Republican, Mr. Lott was a Democrat well into adulthood; in fact, he was the top aide to the longtime Democratic chairman of the House Rules Committee, William Colmer of Mississippi. But when Mr. Colmer retired in 1972 and Mr. Lott wanted the seat, he switched to the Republican Party, declaring he was "tired" of being in the same party as Hubert Humphrey and Ted Kennedy. The two major parties go into this November election with mirror-image split personalities. Mr. Dole is the classic Midwesterner, representing a Republican Party whose chairman, Haley Barbour, is from Mississippi; whose congressional leadership is entirely Southern and Border state, and whose strongest electoral base is in Dixie.

Bill Clinton is a classic small-town Southerner, representing a Democratic Party whose top official, Senator Christopher Dodd, is from Connecticut; whose congressional leaders are mainly from the Midwest, and whose strongest electoral base is found along the northern tier of the country, in an arc stretching from California through the Pacific Northwest, across to Maine and Vermont and down as far as Maryland.

The resulting tensions between President Clinton and his party in Congress have been evident since the day he took office. I expect that Mr. Dole would face similar challenges within his party were he to be elected in November.

The tectonic plates underlying American politics have shifted enormously — but not evenly or uniformly. So expect continued upheavals.

The Washington Post.

Backseat Lover, King of the Road: Why America Is Crazy for Cars

By George F. Will

WASHINGTON — It has changed how the landscape is experienced and how cities are shaped. In it, uncounted millions of marriages have been proposed and relationships consummated. From courtship to crime to consumption, from the American economy to the American spirit, almost nothing would be as it is were it not for the handiest thing that ever happened for the hot pursuit of happiness. So let us now praise the automobile, born, sort of, 100 years ago.

The American auto industry's centennial is being celebrated because in 1896

MEANWHILE

the Duryea brothers of Springfield, Massachusetts, sold 13 cars. Critics, called "carmudgeons," who are legion and mostly liberals, ask, "What's to celebrate?"

Yes, cars emit exhaust, and 1899 produced America's first recorded traffic fatality, the first of — so far — 2.8 million deaths from traffic-related injuries. But horses were lethal, and stifle your nostalgia for those suffocating summers when windows were sealed, but noses were not, against billowing dust of finely ground manure produced by horses such as those that deposited 60,000 gallons of urine on New York's streets every day.

The mass production of automobiles on moving assembly lines, emulating the disassembly of cattle by meatpacking companies, increased productivity and wages, enabling workers to buy what they made. Before cars became consumer goods, people rarely went into debt intentionally. To facilitate purchases, automobile companies developed "installment buying," and credit unions flourished facilitating it. This destigmatized indebtedness, which government embraced with gusto, and increased Americans' reluctance to defer gratifications.

Automobile and oil companies pioneered franchising for dealers of their products. Credit cards were developed by oil companies to make credit portable for mobile Americans. The democratized possession of machines capable of inflicting personal injuries and property damage enormously stimulated the insurance industry. Supermarkets prospered because automobile owners could shop once a week. The automobile created vast wealth by increasing the value of land now accessible to people who worked in, but preferred not to live in, cities.

Today, when most commutes are not from suburb to city but from one suburb to another, automobiles are blamed for suburbs, which are blamed for urban decline and desecration of the countryside. Granted, suburbs sometimes are named, as the novelist Peter De Vries said, for what their developers destroyed ("Forest View," "Rolling Acres"), but the American hankering for suburbs predates the automobile. By 1848, 118 commuter trains poured into Boston; in 1888, Richmond, Virginia, acquired the first of another maker of suburbs, the electric trolley.

The "getaway car" made criminals mobile, and gave us movie car chases. But liberals blame the automobile for myriad crimes, including Wal-Marts, "the mallification of America" and the breakdown of "community." Actually, automobiles were conquerors of rural loneliness, especially that of women, when farm families lived an average of five miles from market, six miles from school, 14 miles from a hospital.

Automobiles were indispensable for the establishment in the 1950s of the teenage nation-within-the-nation. Before James Dean totaled his Porsche and himself at age 24, he was the archetypical teenager, a rebel without a cause but not without a car. From millions of dashboards poured a generation's anthems — rock 'n' roll. Automobiles solved what the author Frederick Lewis Allen called "the difficulty of finding a suitable locale for misconduct." Hitherto young swains had been confined to front porch swings, with the girls' parents and siblings underfoot. Now they could drive away and, more to the point, park.

GM's "ladder of consumption" — Chevrolet, Pontiac, Oldsmobile, Buick, Cadillac — gave America an ersatz class structure, but one easy to climb. Sure, Fifties cars — from their protuberant, not to say nubile, front bumpers to their tail fins —

So they pollute. Automobiles allow the hot pursuit of happiness.

looked, as a wit said, "like chorus girls coming and fighter planes going." And perhaps the "planned obsolescence" of annual model changes was not entirely, as Detroit insisted, "healthy dissatisfaction." Perhaps the television program "My Mother the Car" indicated that the tendency to anthropomorphize cars had gone a tad far.

Who cares. Forget the vulgarities, celebrate the virtues of automobility. An open road produces an open society. The automobile has been an emancipating device, celebrated in American literature, from "The Great Gatsby" to "On the Road." Were Huck to light out for the territories today, he would go in a Ford Explorer.

"Mason City. To get there you follow Highway 58, going northeast out of the city, and it is a good highway and new." So begins "All the King's Men." In the land of the automobile, every man's a king.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Olympic Bias

Regarding "Keeping Order in the Olympic Movement" (June 3):

The article is only partially right in saying that the days of ideological controversy are gone from the Olympic Games. While this is true for East-West rivalries and boycotts against South Africa, the author overlooks a major battle that for the past four years has been fought against the International Olympic Committee concerning gender discrimination.

The IOC has condoned institutionalized segregation by allowing countries that discriminate (sometimes brutally) against their women athletes to participate in the Olympic Games, despite its own charter, which states: "Any form of discrimination with regard to a country or a person on grounds of race, religion, politics, sex or otherwise is incompatible with belonging to the Olympic Movement."

CONSTANCE BORDE.
Paris.

Arcadia Defunct

Regarding "Homicide, an Urban Reality, Intrudes on a Hiker's Paradise" (June 11):

This story reasserts the particular 19th-century assertion of the schism between the noble, pure, unsullied arcadian landscape versus the denigrated, corrupt and sullied cityscape (and mindscape). The article quotes a hiker who says that since the Appalachian Trail and other hiking trails run near cities and towns, it was inevitable that criminals would come into contact with hikers. This implies, of course, that the "criminal element" is forever fomenting in towns and cities and couldn't possibly spawn in (often economically depressed) rural regions.

For a multitude of complicated socio-economic reasons, America's violence percolates in every landscape in the country. The murderer of the two hikers could very well be a country boy (or girl).

PATRICIA E. SACHS.
Florence.

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BOOKS

MESSAGES FROM MY FATHER

By Calvin Trillin. Illustrated. 117 pages. $18. Farrar, Straus & Giroux.

Reviewed By Christopher Lehmann-Haupt

HE was "truly funny," writes Calvin Trillin of his father, Abe Trillin, at one point in this brief but thoroughly charming memoir, "Messages From My Father," parts of which appeared in The New Yorker two years ago in somewhat different form.

"He had a large collection of marching-band albums," Trillin continues, and "there were times when one of them would set him to marching himself." The author and his sister would wait in one room while their father circled the ground floor of the house.

"Every time he entered the room we were in," Trillin writes, "he would be marching in a different way — one time listing precariously off to one side, the next time rolling along in a Groucho Marx stoop, the time after that marching in a sort of hip-hop — pretending to take no notice that Sukey and I were both on the floor, helpless with laughter."

This amusing picture has its serious side as well. Marching music would have seemed an American phenomenon, at least for someone who had been brought to St. Joseph, Missouri, as a 2-year-old, by way of Galveston, Texas, from somewhere "near Kiev." And the primary message that the author got from his father while growing up in Kansas City was, "We have worked hard so that you can have the opportunity to be a real American." Or, more bluntly, "You are American."

To write about any parent demands a mighty act of separation. Trillin not only sees his father clearly from both a child's and an adult's point of view, but he also sees himself through his father's eyes. As a result, he cuts through the complexities of both their lives with a light but assured touch.

The former Abe Trilinsky, not being altogether an American himself, viewed the new world with a form of idealism, his son implies. One symptom of this was what the author calls "his tendency to boil things down."

For example, "He didn't like refugees," his son writes. "They should speak English," his father would say. "This is America." The author adds, "If someone mentioned a distinguished forebear in the Old Country who had devoted himself to a life of scholarship, my father was likely to nod his head and say, 'Couldn't make a living.'"

His own more practical vocation was the grocery business. Yet he hated it, his son reports; "It was a given in our family that my father was a grocer so that I wouldn't have to be." He sold out following World War II after expanding to five stores. Thereafter he dabbled with a restaurant, a small hotel and commercial real estate. But his sonfeelsthathe "resigned himself to having missed his opportunity." The author concludes, "He was happy in his family but he never had the pleasure of work that truly satisfied him."

Yet throughout this memoir another side of the subject comes through. Abe Trillin was always fascinated by language. He liked to collect curses, a favorite being one he found in South Miami Beach. "May you have an injury that is not covered by workmen's compensation."

In semiretirement, he wrote down anecdotes. Only titles have survived: "My second holdup — locked in ice box"; "Little J.B. and the rat in the tub of spinach." After both the author's parents had died, he found the manuscripts of longer works, most of them written before he was born. "The pieces made me wonder if my father ever harbored ambitions to be a writer — not someone who wrote down anecdotes as a way to pass the time in retirement but a writer."

Whether he harbored such ambitions or not, he somehow passed on to his son, along with so much else unspoken, two rare tools of the writing trade. Among the things that make Trillin's prose so entertaining are, first, the absolute consistency of his viewpoint, and, second, his ability to make the most vernacular language seem fresh and funny.

In "Messages From My Father," Trillin reveals the elusive source of his gifts — which are talents often bestowed on intelligent newcomers to a given culture — and he demonstrates how well he learned the subtle lessons conveyed to him.

Christopher Lehmann-Haupt is on the staff of The New York Times.

CHESS

By Robert Byrne

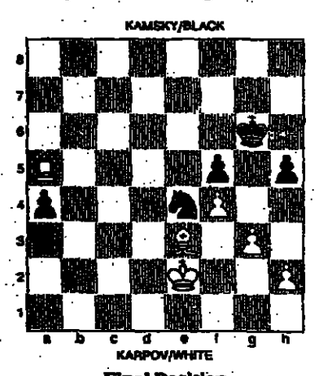
ANATOLI Karpov and Gata Kamsky stood each other off with correct play and agreed to a draw, during the International Chess Federation match in the Kalmykian capital of Elista. The critical moment in the play came as early as Move 16, when Kamsky had to retreat a knight to unblock his queen's flank pawn phalanx. His maneuvers worked smoothly; he did get an isolated d pawn, but that did not carry with it the normal weaknesses because he had ample control of space.

In the main line of the Queen's Indian Defense, Nimzovich's 4...Ba6, in place of the normal fianchetto with 4...Bb7, is meant to elicit a protection of the attacked pawn by either 5 Qa4, when the white queen may turn out to be sidetracked later, or 5 Qc2, when Black can free his game with 5...c5 because 6 d5? leads to an unsound gambit after 6...ed 7 cd Bb7 8 e4 Qe7 9 Nc3 Nd5! Also, 5 Nbd2 is passive, while securing the c pawn with 5 b3, as Karpov did, is stodgy but has proved reasonably effective.

QUEEN'S INDIAN DEFENSE

White Karpov	Black Kamsky	White Karpov	Black Kamsky
1 d4	Nf6	26 Kg2	a5
2 c4	e6	27 Ra7	Ra8
3 Nf3	b6	28 Ra8	Ra8
4 g3	Ba6	29 Rb3	Rb8
5 b3	Bb4	30 Bc3	a4
6 Bd2	Be7	31 Rb1	Rc8
7 Bg2	c6	32 Ba5	Rc5
8 Bc3	d5	33 f4	f6
9 Ne5	Nfd7	34 ef	gf
10 Nd7	Nd7	35 Rd1	Kf7
11 Nd2	0-0	36 Rd7	Kg6
12 0-0	Rb8	37 Kf3	Rc4
13 Re1	b5	38 Ke3	Nc5
14 c5	e5	39 Rd5	Kf7
15 de	Nc5	40 Bb6	Rc3
16 a3	Ne6	41 Kd4	Rc4
17 b4	d4	42 Ke3	Rc3
18 Bb2	c5	43 Ke2	Ne4
19 bc	Bc5	44 Rb5	Ra3
20 Ne4	Be7	45 Ra5	Kg6
21 e3	de	46 Bd4	h5
22 Re3	Qd1	47 Be3	f5
23 Rd1	Bb7	48 Ra6	Kf7
24 Rd7	Be4	49 Ra5	Kg6
25 Re7	Bg2	Draw	

The point of 5...Bb4 6 Bd2 Be7 is to displace the white queen bishop, which is clumsy at d2. After 7 Bg2 c6 8 Bc3 d5



Final Position

9 Ne5 Nfd6 10 Nd7 Nd7, White conveniently defends his attacked c4 pawn by 11 Nd2 and maintains the tension in the center.

The thrust with 13...b5 aims to force White to a detente in the center. Since 14 cd cd yields nothing, Karpov chose 14 c5 e5 15 de Nc5 16 a3.

On 21 e3, it would have been dangerous for Kamsky to create an advanced passed pawn with 21...d3. For example, 22 Qg4 b4 23 ab Bb4 24 Rd1 threatens the black queen bishop and 24...Rb6? 25 Nf6 Kh8 26 Nd5 wins for White. So Kamsky did the prudent thing, exchanging his d4 pawn with 21...de and exchanging off queens after 22 Re3 Qd1 23 Rd1.

The endgame that arose was quite even, but the players chose to go on with it anyway. The necessary underpinning of this kind of performance is the belief that, if anyone makes a blunder, it will be your opponent. Finally, when Karpov served notice, with 48 Ra6 and 49 Ra5, that he could go on giving checks forever — or else win pawns — the players called it a day.

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Yeltsin Beat the Odds In Enemy Territory

Key Area's Voters, Angry and Bitter, Were Swayed by a Slick Campaign

By Michael R. Gordon
New York Times Service

PERM, Russia — When heavy winter snows blanketed this region just six months ago, President Boris N. Yeltsin's political prospects looked bleak indeed.

Voters in this hard-hit and hotly contested region had made the government their third choice in parliamentary elections — behind the raving nationalists of Vladimir V. Zhirinovsky and the newly resurgent Communists. Anti-Yeltsin bitterness ran deep among workers in the decrepit military factories and chemical refineries of the southern Ural mountains.

But the returns from a majority of polling districts and visits to polling places in the gritty industrial city, in the cell blocks of the local prison and in a nearby village showed a surprising level of support for the incumbent president so thoroughly repudiated in December.

How Mr. Yeltsin improved his fortunes here is a case study in the president's masterly use of his imperial incumbency and slick campaign skills.

Many voters said Mr. Yeltsin's relentless campaign had succeeded in recasting him as a scrappy political figure fighting to save the country from communism and in persuading voters that he offered the best hope of stability to a populace already unnerved by change.

"Let Yeltsin finish what he started," said Konstantin Kopytov, 49, an unemployed woodcutter who served as head of the election commission in the hamlet of Klyuchiki. "We do not need to start over again."

At the electoral commission headquarters for the Perm region, officials said that Mr. Yeltsin had won more than half the votes, with his Communist rival, Gennadi A. Zyuganov, a distant second.

Mr. Yeltsin's performance was so unexpected that it was likely to fuel Communist suspicions of ballot-rigging. But no major charges of cheating came from observers representing rival parties and foreign organizations.

The Yeltsin campaign had six months to prepare for the elections, and the president considered Perm an electoral prize worth fighting for.

It is a microcosm of Russia's possibilities and troubles. With its surface-to-surface missile factory and other military plants, the region has a heavy concentration of the defense industry, one of the most beleaguered sectors of Russia's economy.

While there is unemployment and hardship, the region has also benefited from reforms: The selection of goods sold by entrepreneurs in the local flea market far outstrips anything available five years ago.

Mr. Yeltsin unveiled his official campaign program in Perm. Mr. Zyuganov also swooped through the city, outlining his messianic vision of Russia's socialist future. Mr. Zhirinovsky, the acid-tongued nationalist, popped in to rally his supporters with a blend of invective and buffoonery.

But many voters said it was Mr. Yeltsin who ran the best campaign. His choice of Perm for the unveiling of his official campaign program on May 31 produced a wave of news coverage.

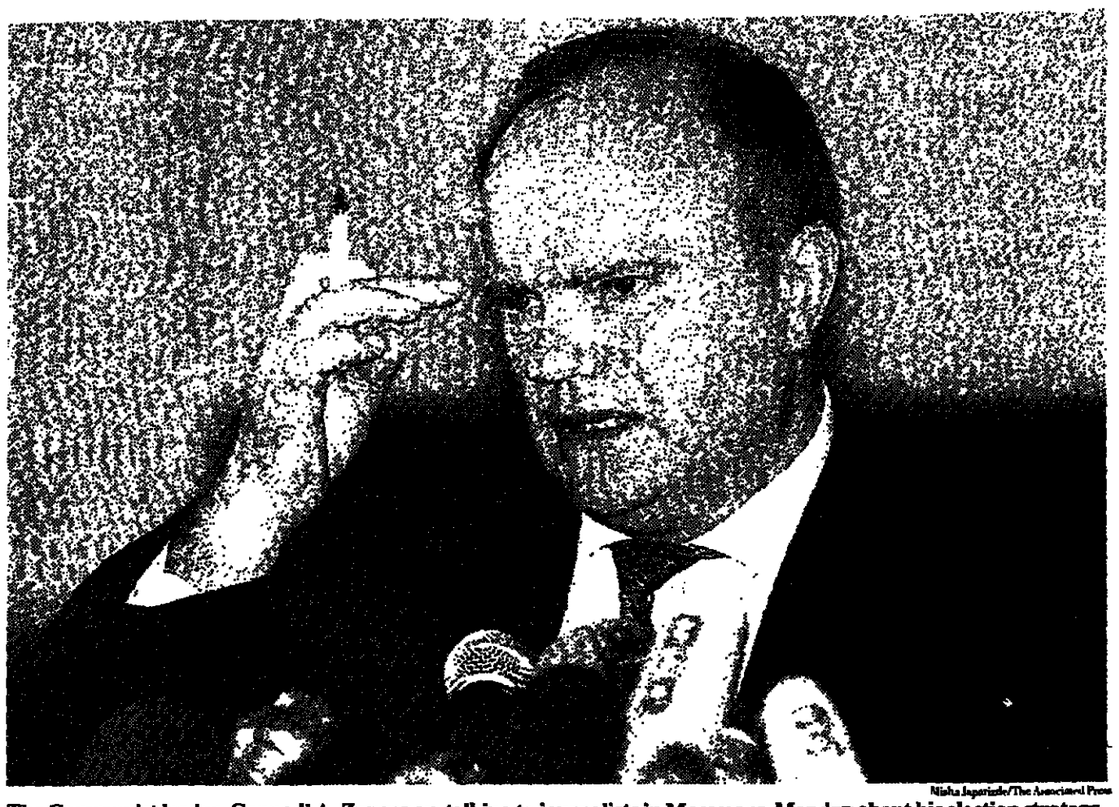
One promise that scored well was a vow to increase pensions and provide free public transportation for the elderly. Some 35 percent of the voters in Perm are pensioners, whose skimpy fixed incomes have been eaten away by inflation in the transition to the semifree market economy.

The president's team appealed to the youth vote by organizing a rock concert to commemorate Russia's independence day, using local government money.

Meanwhile, the other campaigns, lacking Mr. Yeltsin's advantages, appeared to have blundered and missed opportunities.

Grigori A. Yavlinsky's Yabloko bloc was competing with Mr. Yeltsin for the pro-reform vote. But the cerebral Mr. Yavlinsky, who made relatively few campaign trips, chose not to come to Perm despite pleas from his local campaign organization.

Mr. Zhirinovsky, whose radical nationalists won this region six months ago, apparently lacked the money to mount much of a campaign.



Nisha Jayaraman/The Associated Press

The Communist leader, Gennadi A. Zyuganov, talking to journalists in Moscow on Monday about his election strategy.

International Outcry Raised Over Attack on Ex-Bosnia Chief

Reuters

SARAJEVO, Bosnia-Herzegovina — NATO and the top Bosnia mediator on Monday sharply criticized an attack on a popular Bosnian opposition leader, saying such acts were impermissible in a society that aspires to be a multiethnic democracy.

"We condemn in the strongest possible terms the assault on former Prime Minister Haris Silajdzic at a political rally in Cazin," said Major Simon Haselock, spokesman for the North Atlantic Treaty Organization in Sarajevo. "There is no place in Bosnia for such an anti-democratic act."

Mr. Silajdzic, now an opposition leader, was struck on the head with a metal bar when supporters of the ruling Muslim Party of Democratic Action disrupted a rally Saturday in northern Bosnia.

Carl Bildt, the international community's representative in Bosnia, condemned the assault. "It's outrageous," he said. "It is clearly a case of very severe political harassment prior to the elections that must not be tolerated."

Mr. Silajdzic heads the Party for Bosnia-Herzegovina, the main rival to President Alija Izetbegovic's party in areas controlled by the Sarajevo government. It calls for equal rights for all ethnic groups in a reunified, sovereign Bosnia.

Confident Lebed Is Cast as Power Broker in Russian Runoff

By David Hoffman
Washington Post Service

MOSCOW — Alexander Lebed is not the kind of person who harbors doubts.

His voice has a deep, rumbling quality that suggests utter certainty. "I was born a winner, sooner or later," he intoned Sunday night in a television interview after placing third in Russia's presidential race. "The country needs order, and I will bring this."

Mr. Lebed, 46, has come back to the Russian political stage, and he seems poised to play a critical role in the coming battle between President Boris N. Yeltsin and his Communist challenger, Gennadi A. Zyuganov. They won berths in the second-round runoff, but Mr. Lebed apparently can make or break either of them.

Ever since he took off his general's uniform and left the army last year, Mr. Lebed has been an intriguing but puzzling figure in Russian politics.

During the parliamentary election campaign last fall, polls suggested that he was a front-running candidate for the presidency. His appeal seemed to be that of a straight-talking former general who was brutally candid about the depth of Russia's collapse.

"We have the misfortune to live in a unique state, without state interests, without enemies, without friends, without allies, without an ideology, a state that takes no care of old people or children — a sick state," he said.

But his early months in politics took some of the shine off his stature.

The slate of his nationalist party, the Congress of Russian Communities, failed to win enough votes to enter Parliament and Mr. Lebed seemed mired in internal rivalry. In individual balloting, however, he won a seat in the lower house of Parliament from Tula, a weapons-producing region south of Moscow where he was once head of an airborne division.

This spring, Mr. Lebed returned to the public eye in Parliament as his own man. He began wearing well-tailored business suits and a more stylish haircut. He ran for president on a simple slogan of "Truth and Order."

He again appealed to voters who feel pained by the collapse of their personal standard of living and Russia's global prestige. And he used colorful, plain language to describe how he would root out corruption and set things straight.

"The state cannot be a wolf, gnawing at the economy," he said. "It must be a wolfhound that will protect the economy. It's not the market that's to blame, it's a bandit state," he continued. "We don't want a prison order, but a civilized order."

Mr. Lebed may have drawn votes away from the ultranationalist politician Vladimir V. Zhirinovsky, who was once the darling of Russia's disaffected voters but who seems to have lost support in this election. Mr. Lebed's image as a can-do general may also have been appealing to other disenchanted voters who did not want to vote for either Mr. Zhirinovsky or Mr. Zyuganov.

In the final week of the campaign, polls showed a surge of support for Mr. Lebed, who was featured prominently on television and in newspapers. Mr. Yeltsin also dropped hints of support for Mr. Lebed.

Last autumn, Mr. Lebed assailed the old Communist Party of the Soviet Union as a group of "imbeciles," so he would seem more suited to be an ally of Mr. Yeltsin's than of Mr. Zyuganov's.

Winning Mr. Lebed to his side may be easier for Mr. Yeltsin now that the first round of voting is over. Mr. Lebed, who commanded the Russian 14th Army in the former Soviet republic of Moldova until his resignation last year to enter politics, acknowledged Sunday that his time as president "has not yet come."

If Mr. Yeltsin succeeds in recruiting him, it is not certain that all the Lebed voters will gravitate to the president. According to an exit poll of 7,439 voters taken Sunday for The Washington Post and other Western news organizations, Mr. Lebed's supporters lean toward Mr. Yeltsin by only a 4-to-3 margin.

Mr. Lebed was talking after the election like a man still on a mission: "The country needs reforms, in the army, too, if we are to remain a sovereign state. I will get on with it tomorrow. We must not get the country in a bloody mess. We must keep the country from a civil war."

ALLIES: *U.S. to Share Data*

Continued from Page 1

exchanged will not be used to design new weapons. Developing countries are nonetheless likely to raise concerns about the deal, which amounts to a pact by two nuclear powers to help prolong the life of powerful weapons that other countries have promised never to obtain.

Moreover, the secret deal may just mark the beginning of a new era of extraordinary cooperation among existing nuclear powers. Washington has already explored sharing less detailed nuclear weapons information with the other two declared nuclear powers, Russia and China, and it is weighing the merits of eventually sharing such data with the undeclared powers — India, Israel and Pakistan — several U.S. officials said.

Christopher Paine, a nuclear weapons expert at the Natural Resources Defense Council, said some countries might be irritated by the agreement, which they will see it as "another example of the privileged status of nuclear weapons states — that they regard themselves as being of a different class," despite their claims that a test ban would affect all nations equally.

U.S. officials said Washington's primary motivation for sharing its knowledge was to make more palatable a treaty that the Clinton administration has billed as one of its top diplomatic priorities.

President Bill Clinton posed this tradeoff in a letter to President Boris N. Yeltsin of Russia last year, promising new cooperation in exchange for Moscow's assent to the total test ban Washington prefers. But Washington's generosity is also based partly on self-interest.

American weapons scientists say they are anxious to avert a disastrous nuclear weapons incident anywhere in the world, which they fear would almost surely provoke a domestic public outcry and lead to new constraints on the size and location of the U.S. nuclear arsenal.

"It's not just the political backlash, but also the ecological consequences that would affect us all" if a major accident occurred, said a U.S. scientist who was involved in the negotiations with France.

U.S. assistance to the French nuclear program dates from the early 1970s, and over the years has included U.S. advice on the design of French ballistic missiles and underground nuclear explosions, as well as ad hoc U.S. guidance about the design of French bombs. But when the cooperation was formalized in 1985, it was supposed to involve only U.S. assistance to improve atomic weapons design, development or fabrication related to the safety of the French arsenal.

A White House official said that Washington and Paris realized several years ago that they needed to amend the agreement to take account of a test ban by focusing more intensively on maintaining existing weapons while dropping U.S. assistance related to French weapons designs.

RUSSIA: *Squeezing by Zyuganov, Yeltsin Moves Quickly to Woo a Rival and Set a Date for Election's 2d Round*

Continued from Page 1

But if the Yeltsin campaign found Mr. Yavlinsky too ambitious and high-handed, they are unlikely to find Mr. Lebed much more tractable.

Mr. Lebed's endorsement will not come cheap. In an interview with Radio Liberty early Monday, he said he would not accept the post of chief of security council, dismissing it as "functionary's job." He also said he was not interested in becoming minister of defense, as he was more concerned with rooting out crime and corruption — a hint that he hankers for a fiefdom that Mr. Yeltsin is loathe to hand him, the Ministry of Interior.

Mr. Zyuganov, who is scheduled to meet with Mr. Lebed on Tuesday, has little hope of wooing the anti-Communist general to his side. But many of his supporters think he desperately needs him. Mikhail Lapshin, head of the Agrarian party that supports Mr. Zyuganov, publicly advised him to name Mr. Lebed as his prime minister. Valentin Kuptsov, the No. 2 of the Communist Party, nipped the suggestion in the bud, saying that for all his virtues, Mr. Lebed did not have the economic background for such a weighty post.

Mr. Zyuganov took a harder line. "All his slogans were directed at the existing course — against disintegration, humiliation, corruption banditry, theft," Mr. Zyuganov remarked rather crossly at a press conference. "Any attempt by Lebed to align himself with the existing government will signify a substantial political defeat for him."

The Communist leader added that even if Mr. Lebed did endorse Mr. Yeltsin, his voters would not follow. "Voters are not serfs," he said. "They cannot be inherited." He contended that most of Mr. Lebed's voters would support his Communist-nationalist coalition.

But exit polls showed that 44 percent of the people who voted for Mr. Lebed would support Mr. Yeltsin in the final round; 34 percent said they favored Mr. Zyuganov. The rest were undecided.

Mr. Zyuganov said he would seek help from other sources. In the last days of the campaign, Mr. Zhirinovsky made overtures to Mr. Zyuganov, and an alliance is not out of the question. But while Mr. Zhirinovsky still appeals to a sizable number of voters, he is an extremist candidate who is unlikely to help broaden Mr. Zyuganov's coalition and draw undecided, centrist voters.

Eager to enlist Mr. Lebed, The Yeltsin campaign is just as intent on moving up the election. Mr. Yeltsin asked Parliament on Monday to proclaim July 3rd a holiday, so that if elections were held on that date, voters would be free to vote. Elections in Russia are traditionally held on Sunday, but there is no law requiring it.

The Russian Vote

Results of a nationwide exit poll conducted for The Washington Post and other Western news organizations, by Mitofsky International in cooperation with CESSI Ltd, based on questioning of 7,439 voters as they left 118 polling stations.

Q: Which issue was most important to you?

Ending the war in Chechnya	20%	Government payment of pensions and salaries	35
Controlling crime	13	Foreign policy	2
The economy	25		

Q: What type of government is best for Russia?

	April 1993	Sunday
Socialism, as it was before perestroika	27%	22%
Democracy, in its present form	42	28
Something else	26	47

Q: Big industrial enterprises should be owned by:

The state	58%
Private owners	12
The workers	26

Q: When were you and your family better off?

	April 1993	Sunday
Under socialism before perestroika	51%	46%
Now	10	27
Not much difference	27	25

Q: What should be done about Chechnya?

Give Chechnya complete independence	35%
Keep Russian control even of it means more fighting	20
Share power in Chechnya	41

Q: How do you feel about the United States?

It is an ally	34%
It is an adversary	24
It is neutral	37

VOTE: *Communists Failed to Build on Their Success in December's Elections*

Continued from Page 1

of people were killed or wounded.

Despite that, Mr. Zyuganov frequently appeared alongside Mr. Anpilov, and Mr. Anpilov has made it clear that he would like to oversee the Russian media in a Communist government.

To satisfy Mr. Anpilov and other hard-liners, Mr. Zyuganov lapsed into the bitter, defiant rhetoric of great-power nationalism and xenophobia on the campaign trail. And together with his allies in Parliament, he rammed through a resolution condemning the 1991 breakup of the Soviet Union into ethnic republics.

Mr. Zyuganov's loyal, elderly supporters were well pleased. They believed he could restore the power and prestige of the Soviet Union — and perhaps even the Soviet Union itself. But his words and deeds undercut his simultaneous assurances that his program would not lead to political or social upheaval, and to a large majority of younger and less ideologically committed voters his message appears to have fallen flat.

"They actually scared people," said Gwendolyn Stewart of Harvard University's Davis Center for Russian Studies, who is in Moscow following the election. "People knew there was no reuniting the Soviet Union without force."

A glum Vladimir Semago, a Communist member of Parliament and one of the few business figures in the party, said: "We didn't lose votes, but we didn't receive them either."

"To attract new voters will be very difficult," he added, "because we have a sharply divided society."

Mr. Semago's fears appear to be justified. An exit poll conducted for The Washington Post indicated that a substantial majority of voters would choose Mr. Yeltsin in the second-round ballot next month. Supporters of the third-place finisher, Alexander Lebed, a retired general, said by a margin of 4 to 3 that they would vote for President Yeltsin.

According to the survey, the supporters of only one candidate — Vladimir V. Zhirinovsky — showed a preference for Mr. Zyuganov over Mr. Yeltsin in the runoff. But Mr. Zhirinovsky, a flamboyant ultranationalist, was running a distant fifth, with less than 6 percent.

Mr. Yeltsin, too, played a large part in limiting the Communist vote. Flexing the powerful muscles of incumbency, he virtually controlled national television coverage — seeing to it that Mr. Zyuganov's air time was minimized and that what television exposure he did get was blandly neutral and unflattering.

Mr. Yeltsin also was able to enlist some of Russia's best-known cultural figures and celebrities in his cause. In final days, the Yeltsin forces saturated television with grim anti-Communist films and documentaries.

Mr. Yeltsin also ran an especially vigorous campaign, making the greatest possible use of his considerable, crowd-pleasing charisma. He courted young voters tirelessly, paraded through the Russian provinces like a generous czar dispensing favors and ran a barrage of reasonably sophisticated advertisements on television. Hammering home the message that a vote for Mr. Zyuganov was a vote for upheaval and the unknown, Mr. Yeltsin steadily improved his dismal, single-digit public approval rating of January. This contrasted sharply with Mr. Zyuganov's stolid, often sour performances on the campaign trail.

The Communist candidate gave the same speech hundreds of times, barely bothering to tailor it to a local audience. His wooden speaking style was often derided by the few younger voters who happened upon his rallies.

"The only people voting for him are grandmothers," said a young man who watched from the edge of a crowd of senior citizens as Mr. Zyuganov spoke earlier this month in the Siberian city of Krasnoyarsk. "No one from my generation is. That's for sure."

TRADE: *Concessions on Piracy Help China Escape U.S. Sanctions*

Continued from Page 1

they are not used after-hours to produce bootlegged disks. She said the U.S. would continue to monitor Beijing's compliance.

The lifting of the sanctions threat removes, for the moment at least, a perennial issue that had moved suddenly to the forefront of America's troubled relationship with China. That relationship had already been strained this year over China's military bullying tactics against Taiwan, its sale to Pakistan of ring magnets, which are used in nuclear weapons, its continuing harassment of dissidents, disagreements over Tibet and other human rights concerns.

The Clinton administration was quick to hail the breakthrough as a vindication of its policy of constructive engagement with China over a raft of thorny issues. At the White House, President Bill Clinton said, "This proves that staying involved and engaged with China through the difficult times as well as the good ones is the right course of action."

Ms. Barshefsky called the negotiations over piracy, and the settlement, "a manifestation of the notion of engagement."

From the beginning of these arduous talks, sometimes lasting until well past midnight, Ms. Barshefsky and her team of negotiators made it clear that more promises from China would not be enough to stave off the sanctions, which were due to take effect at midday Monday. So the statement read less like a list of future commitments and more like a report card on China's anti-piracy efforts so far, some 16 months after Washington and Beijing first signed a landmark agreement aimed at ending China's rampant and unchecked theft of American products.

"We did not come to China to negotiate a new agreement," Ms. Barshefsky said, but rather "to see what actions China has taken."

She said, "the final document is quite action-oriented, not a series of future promises."

The most visible sign of China's blatant disregard for U.S. concerns over the piracy issue has been the existence of about 30 factories, mostly in southern Guangdong Province, that produced an estimated 100 million bootleg compact disks and CD-ROMs each year, mostly for export around Asia. But Ms. Barshefsky said her team could confirm that China had closed 15 plants, including 12 in Guangdong, all of them capable of turning out a total of 30 million to 50 million disks a year.

Most of the plants were closed just in the last two weeks, and some just in recent days with the threat of U.S. trade sanctions looming.

But closing plants in China is one thing — particularly in the days and weeks before a U.S. sanctions deadline — while keeping them closed for good is another. This time, however, U.S. officials and industry representatives said they were confident that the 15 plants were shut for good, with their molds destroyed and their CD pressing equipment confiscated.

"The pirate plants are not going to be reopened," said Hilary Rosen, president of the Recording Industry Association of America, speaking at the White House. "Equipment has been seized. And those that remain open will be under severe scrutiny."

"What we have achieved is an important first step," said Jay Berman, chairman of the Recording Industry Association.

"These measures," he said, "and the commitment to enforce them will be the true test."

Christopher Moore

The lacy look (clockwise from left): Hervé Leger's sheath in guipure from Forster Rohner, Helmut Lang's layered lace, Christian Lacroix's black Hurel lace, Versace's transparent bride, Chanel's lace embroidery.

Ever Racy, Lace Goes Modern

By Suzy Menkes
International Herald Tribune

PARIS — Lace — that most delicate and feminine of fabrics — has taken on a new hard edge. Whereas once it was reserved for the boudoir, the ballroom and for dainty trimmings, this summer it has come out on the streets as part of urban cool.

Next week, an exhibition of high-fashion lace will open in Paris as a tribute to haute couture. These masterworks will show intricate inserts and incrustations of lace not so different from the finery of Louis XIV's court.

But avant-garde designers are creating their own revolution, making lace into clothes that are disturbing rather than decorative. They emphasize the transparency of lace, bring it into the glare of day and couple it with tough materials to play soft and hard.

The British designer Alexander McQueen was one of the first to give lace a new, raw face. He bonded lace with latex to rough it up, then sliced out pieces of pattern and appliquéd them on nude chiffon to sharpen lace's traditional game of hide-and-seek with the body.

Gianni Versace made lace hard by teaming it with leather, so that a dress comes with a fragile bodice and tough skirt or with lacy inserts to suggest underwear peeping through.

Helmut Lang's summer collection consisted of lace slip dresses layered over each other, worn with visible bras and scarlet panty hose by models who looked like teenagers in trouble. Gucci's take on lace was mini-caftans in boldly patterned cotton lace, while Jean Paul Gaultier molded lace motifs out of latex.

The modernist movement in lace is linked to the shift away from minimalism. Lace gives interest to a blank surface, but the shapes remain plain, with the shift dress the most insistent shape, and T-shirts, pants and A-line skirts as alternatives. In that basic form, lace has already hit the stores and is worn by a generation familiar with the body-suits, tank tops and hose it takes to make transparent lace wearable.

Stretch lace is also seeing the light, used for body-molded dresses that owe their origins to corsetry. Valentino made a fashion point of hosiery, using spidery lace stockings with delicate chantilly dresses to give an all-over effect.

In fashion, too, is guipure — a lacy look created by embroidering fabric and then dissolving the base with acid. Hervé Leger had a sheath dress contouring the curves of the body, while Yves Saint Laurent created ruffles, both using guipure created by Forster Rohner of Saint Gall. Speaking from Switzerland on Monday, Tobias Forster said that guipure is intriguing to designers because it can be given interesting textures with raffia, chenille or metallic thread.

The versatility of lace will be displayed in Dentelle et Haute Couture at the Intercontinental Hotel from June 29 to July 11. It will emphasize the traditional evening glamour of gowns using fabrics from Dentelle de Calais and other specialist French lace houses grouped in the Fédération Française des Dentelles et Broderies.

This summer's couture collections had some sumptuous special effects. At Chanel, Karl Lagerfeld's slender dresses reincarnating legendary photographs of Coco Chanel married fine lace and hand embroidery. Christian Lacroix created a dress in a patchwork of different laces, while Saint Laurent made both white and black magic with wisps of dark chantilly or ruffles of pale lace. At Dior, Gianfranco Ferré offered peekaboo lace in a practical form by slipping a delicate lace blouse under a sleek tailored suit.

The same designers offered similar styles in their ready-to-wear collections — for lace, industrialized last century, is now high tech.

How to Graduate With Sheer Success

International Herald Tribune

LONDON — For most students at last week's Royal College of Art show, the graduation collection was a vital step in searching for a job. But Julien McDonald's parade of sheer knitted dresses, their lace patterns stretched as taut as fishnet hose, has already found formidable success.

The 24-year-old student, who has worked with the designers Alexander McQueen and Koji Tatsuno, is now a protégé of Karl Lagerfeld, who has used McDonald's work in KL and Chanel collections and now plans to give him an exclusive contract.

Born in Wales, in a "little house on a hill," McDonald says he first realized the magic of knitting when he saw his sisters hand-knit mohair sweaters. Now, after training in knitwear departments in Brighton and at the Royal College, he creates his cobweb fantasies in his bedroom on a knitting machine — "the kind old ladies use for those horrible things," he says.

The most extraordinary creation in Thursday's show was a bodysuit, made from fishing wire hand-beaded with Swarovski crystals, that took 96 hours of work. Other dresses in viscose and lurex were simple, apart from their complex stitching.

"Knitwear is so modern and so light," says McDonald. "I knit everything and put it in a sandwich bag — but don't tell Karl that!"

Suzy Menkes

Christopher Moore

A spidery knit dress by 24-year-old Julien McDonald.

Balenciaga for the Millennium

International Herald Tribune

PARIS — Josephus Melchior Thimister, 33, a Dutch designer from Maastricht, is to lead the house of Balenciaga toward the new millennium.

Despite discussions with Helmut Lang to take over as creative director, Jacques Konckier Balenciaga's president, said Monday that a new contract for three years was signed last week with Thimister, who joined the house four years ago.

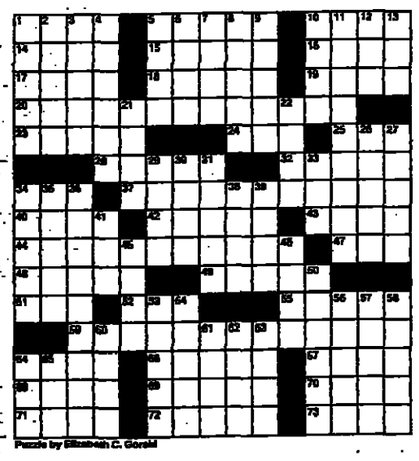
"It is positive and should be very constructive," says Thimister, who has a modern take on the house's tradition of pure line and precise cut in fine fabrics. "For me, Cristobal Balenciaga is the best. Everything he did was so universal and had value."

S.M.

CROSSWORD

ACROSS
1 Applaud
5 Sweetheart
10 Nuclear weapon, for short
14 As well
15 Derbies
16 Fly high
17 Go piff!
18 Kilns
19 Wraps up
20 Notes in cyberspace
23 Sidewalk —
24 Sailor's assent
25 Sailor
28 Singer James et al.
32 Roomy
34 Mediator: Abbr.
37 "Nixon" character
40 Where to get a hoagy
42 Cleaver's "Soul —"
43 Scorer on serve
44 Part of Chopin's Opus 10
47 Doubles team
48 Imps
49 Fly-fishing, for one
51 "For shame!"
52 "Well, —— di-dah . . ."
58 In the lead
59 Dangerous strain
64 "The Second of May" artist
66 Start of a Dickens title
67 "Cheers" patron
68 Attend Choate, e.g.
69 No-Tell, for one
70 Paradise
71 Just okay
72 Beginning
73 Hardy heroine

DOWN
1 Sights along the Champs Elysées
2 Large, furry pet
3 Chinese, e.g.
4 Like Miss Manners
5 Word on a gift tag
6 Wash
7 They're good with tricks
8 The brainy bunch
9 E. B. White piece
10 "Peekaboo, ——"
11 Build
12 Rotten
13 —— Malaprop
21 Running behind
22 Neuter
26 "Nixon" character
27 Small rocket engine
29 Thunder god
30 Tops
31 Actress Loretta and others
33 "There you are!"
34 Masterful
35 Twin brother of legend
36 Shiners
38 "We'll tak —— o' kindness yet": Burns
39 Make over
41 Alphabet trio
45 Scandinavian port
46 Q.E.D. midsection
50 1995 Sandra Bullock film
53 1836 battle site, with "the"
54 Try to pick up
56 Wear away
57 Buenos ——
58 Denounces
60 Mafia chief
61 Fruity
62 Toward shelter
63 Scot or Breton, e.g.
64 Family docs
65 Conquistador's cache



Puzzle by Elizabeth C. Gorski

© New York Times/Edited by Will Shortz

Solution to Puzzle of June 17

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A	V	E	S		B	A	B	A	R		O	N	U	S
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- Why is the GlobalCom Executive Calling Card the only calling card that charges less than half the price of an international telephone call than any AT&T, MCI, SPRINT or Government/PTT telecom card?
- How can I make a low cost, live operator GlobalCom International conference call?

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NYSE

Monday's 4 p.m. Close

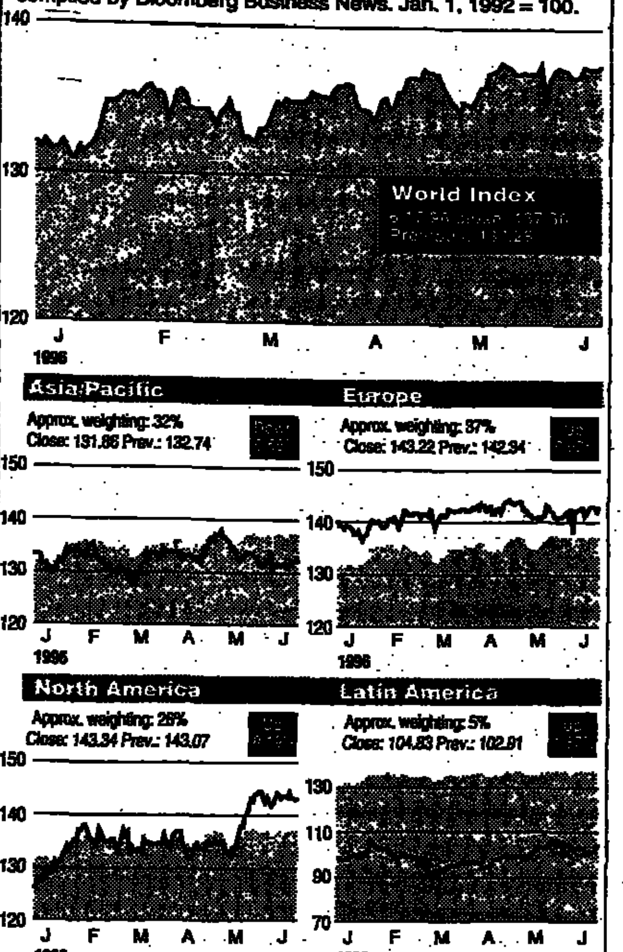
New media prices, not reflecting late trades elsewhere
The Associated Press

Continued on Page 18

Herald INTERNATIONAL Tribune
BUSINESS / FINANCE
TUESDAY, JUNE 18, 1996

THE TRIB INDEX: 137.56

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors

	Mon. close	Prev. close	% change		Mon. close	Prev. close	% change
Energy	145.06	144.38	+0.47	Capital Goods	149.35	148.82	+0.36
Utilities	130.11	128.92	+0.92	Raw Materials	158.80	158.20	+0.38
Finance	119.57	119.71	−0.12	Consumer Goods	146.05	145.70	+0.24
Services	128.64	127.89	+0.59	Miscellaneous	140.76	140.85	−0.06

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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Mining the Web: Rush Is On

Starwave Lures Pioneers to Net Publishing

By Steve Lohr
New York Times Service

BELLEVUE, Washington — Luring talent has not been a problem for Mike Slade, president of Starwave Corp.

The recruits to this start-up company in suburban Seattle include refugees from well-paid jobs as editors, writers and advertising executives in New York and as software engineers in the Silicon Valley in California.

They have come to be pioneers in the new medium of publishing on the Internet's World Wide Web, to build a business and, if successful, to become rich.

"There's a Gold Rush mentality in this field," Mr. Slade said.

So far, however, the rush onto the Web by media companies has produced precious little gold. Quite apart from entrepreneurial upstarts such as Starwave, just about every major U.S. newspaper, magazine and television network has made sizable investments in the past couple of years to try to master the new computer medium.

Even the software powerhouse Microsoft Corp. is betting that it can create a media business on the Web with efforts ranging from a joint-venture news service with NBC to an on-line magazine run by Michael Kinsley, former editor of The New Republic.

Yet in a field still in its infancy, Starwave is viewed by many experts as a bellwether, an ambitious venture whose early progress suggests the way the medium will develop and perhaps become a business. Starwave runs the main newsroom and development studio behind ESPNet Sportszone, the leading sports-news site on the Web. Begun in April 1995, Sportszone — a joint venture between Starwave and ESPN — now attracts 230,000 visitors a day, making it one of the more heavily trafficked sites on the Web. It is also a leading recipient of advertising dollars among Web sites, and Sportszone has added a promising stream of revenue since August, when it began charging for access to certain areas on the service.

Digital technology enables publishers to offer information or entertainment — content, in the vernacular of the Internet — in a seemingly potent combination of text, graphics, audio and video. But the aesthetic, commercial and audience-pulling ground rules of the new medium are still uncertain.

For media companies the Internet today resembles a California gold-mining town in the 1840s, where the saloon and the general store prospered while the miners went broke.

It is the suppliers of network access, browsing software and other technological infrastructure that

See WEB, Page 17

EU Votes to Begin 'Open Skies' Talks With Washington

By Tom Buerkle
International Herald Tribune

BRUSSELS — In a move that could greatly liberalize the trans-Atlantic aviation market, the European Union agreed Monday to begin discussions on an "open skies" agreement with the United States.

The decision by transport ministers at a meeting in Luxembourg marked a significant political shift by the Union's 15 member governments to acceptance of the idea that they stood to benefit by negotiating as a bloc with Washington.

Previously, national capitals had jealously guarded their own bilateral air treaties as the best way of defending market share for their flag carriers.

Numerous questions remain, and negotiations could still take years, but an open skies agreement could spur a fresh wave of investment and competition by removing restrictions on the ability of European and American carriers to enter each other's markets.

"Markets are no longer national; they're global," said Sarah Lambert, a spokeswoman for the EU transport commissioner, Neil Kinnock, who has lobbied the ministers for more than a year for authority to negotiate for the 15 EU governments.

Monday's decision, she said, was "very good news for global competition, for competitive airlines and their passengers."

In the short run, however, the Union's decision to seek talks has much less significance for travelers than the spread of code-sharing alliances among major carriers, capped by last week's proposed tie-up between British Airways and American Airlines, officials and industry specialists agreed.

Those alliances are revolutionizing the industry by transforming numerous potential competitors into a handful of large networks and offering passengers better direct connections on such secondary routes as, for example, Omaha, Nebraska, to Warsaw. Eight EU governments have negotiated bilateral open-skies agreements with Washington, most recently Germany, which did so last month to win approval for a code-sharing agreement between Lufthansa and United Airlines.

Britain, meanwhile, voted against the agreement Monday. British and U.S. officials said their priority was to negotiate a bilateral open-skies agreement, which Washington is demanding as a condition for approving the BA-American deal.

Under Monday's EU agreement, Mr. Kinnock can begin exploratory talks this autumn with U.S. officials on so-called soft issues, including rules on competition, the use of computer reservation systems and restrictions on foreign ownership. Depending on the success of those talks, the ministers can authorize Mr. Kinnock to negotiate an agreement that would then include the vital issues of traffic rights and airport landing slots.

France had insisted on separating the talks into two phases to safeguard its control of the tightly regulated Paris-New York route.

In Washington, officials reacted cautiously, saying they would be happy to talk with Mr. Kinnock but saw little use in separating soft issues from traffic rights.

In the long run, however, U.S. officials said they favored an open-skies agreement covering all of Europe because it would help prevent any airline alliance from dominating key markets.

Karl-Heinz Neumeister, secretary-general of the Association of European Airlines, said Europe's carriers favored EU-U.S. negotiations in principle but were concerned at the lack of consultation with EU officials about the content of the talks.

"We are a little bit left out in the cold," he said.

Sumitomo's Partners Face Inquiry

Compiled by Our Staff From Dispatches

WASHINGTON — The investigation of Sumitomo Corp.'s $1.8 billion loss in the copper markets has broadened to include companies that traded heavily with the Japanese metals giant, a source said Monday.

The Commodity Futures Trading Commission is examining trades between Sumitomo and Global Minerals & Metals Corp. of New York, a small company that conducted trades for the Japanese giant on the Comex division of the New York Mercantile Exchange.

Also under review is Winchester Metals of England, which handled many of Sumitomo's trades on the London Metals Exchange, the world's largest copper-trading forum, according to a source familiar with the investigation, who spoke on condition he not be identified.

In another development, two sources said the U.S. futures trading commission interviewed Yasuo Hamanaka, the trader who Sumitomo says ran up the loss in unauthorized trades over a period of about 10 years, in a formal deposition in April. That interview tipped off CFTC investigators that "something was wrong" with Mr. Hamanaka's copper trading, according to a second regulatory source, who also requested anonymity.

Sumitomo Corp. said Thursday that Mr. Hamanaka, its star copper trader, had falsified the company's books and records to cover up losses estimated at $1.8 billion or more over 10 years.

A spokesman for the U.S. regulators declined to identify any company that may or may not be under investigation but said the agency would be exploring any company with ties to Sumitomo.

In Tokyo, shares in Sumitomo Corp. plummeted on the first day the stock had been traded since the announcement of the company's loss.

On the Tokyo Stock Exchange, the company's shares tumbled the daily limit of 200 yen, or $1.83, a share, closing down 16.5 percent, at 1,010 yen.

Copper prices stabilized in London on Monday with help from British government regulators, defying predictions of a collapse in reaction to the Sumitomo scandal.

The benchmark London Metal Exchange copper contract for delivery in three months dropped early to almost $1,800 a tonne from a close on Friday of $1,980, then recovered to end back at $1,980.

Cyprus Amax Minerals Co., a U.S. copper producer, said meanwhile it was withdrawing its offer to sell 12 million shares of its common stock, citing the turmoil in the copper market. The company's shares, which had been as high as $32.125 in the previous 12 months, closed at $24.375, up 50 cents.

(AP, Reuters, Knight-Ridder)

Thinking Ahead /Commentary

America's Spurious Anxiety Attack

By Reginald Dale
International Herald Tribune

WASHINGTON — In a recent competition to find a name for the 1990s, the Age of Anxiety was a popular choice. U.S. Labor Secretary Robert Reich likes to refer to working Americans as the "anxious class."

But end-of-century angst is not just an American affliction. Britons puzzle over the lack of a "feel-good factor," despite their economic achievements. Japanese workers worry about the end of lifetime employment.

A common explanation is that global competition is creating unprecedented economic insecurity in the industrial countries, as greedy corporations ruthlessly "downsize" to cut costs.

More perceptive Americans, however, know that there is something wrong with this picture: There is precious little evidence that it represents what is happening in the real world.

On the contrary, the United States is close to what most economists consider full employment, masses of good jobs are being created, and living standards have never been higher.

"Downsizing" by major companies affects only a tiny fraction of the total work force, and this month's employment figures suggest it makes more sense for Americans to worry about a scarcity of labor than a lack of jobs.

In short, writes Karl Zinsmeister in the latest American Enterprise magazine, "most of the claims about today's American economy being unproductive, unfair or otherwise in trouble are just bunk."

Although household names such as AT&T have hit the headlines by laying off workers, far more jobs are being created by smaller, fast-growing companies. Government statistics give no indication that an extraordinary wave of downsizing is under way, nor that the average tenure of jobs is getting shorter.

The U.S. is close to what most economists believe to be full employment.

Numerous polls have failed to uncover signs of unusual angst. A recent survey, in fact, suggests that nearly half of all Americans consider themselves better off than a year ago, a rating as high as any in the last 20 years.

So why is the nation so widely believed to be undergoing an anxiety attack? One theory is that Americans are indeed worried, but by a decline in social values, not economics. Another is that the baby-boom generation is having a hard time turning 50.

W. Michael Cox, vice president of the Federal Reserve Bank of Dallas, says that "history may eventually tag the baby boomers as the biggest whiners of all time."

Among the reasons for today's "feel-bad" phenomenon, he says, are ignorance of the hardships faced by earlier generations, a tendency to treat the good life as an entitlement and the decline of inflation.

"Inflation often creates the illusion of increasing prosperity. Though we're better off with lower price and wage increases, we miss that faux pat on the back," Mr. Cox says.

People also tend to notice when big companies lay off workers but not when smaller ones hire, which usually goes unreported. They take the boom years from 1950 to 1973 as the standard when it was those years that were unusual, not the present.

Of course, today's dizzying pace of technological innovation is unsettling. Everyone can see that bank tellers and telephone operators are being replaced by computers.

As Mr. Zinsmeister writes, "It is easy, especially for those lacking imagination, to look upon the bubbling cauldron where the future is being smelted and not see fresh creation, but only turmoil."

But dynamic change has always been good for America. By allowing it to proceed, the United States is creating jobs, wealth and opportunity. Those who try to resist it, like some European countries, are creating unemployment.

There would be real cause for anxiety if no American companies were failing, the job market was frozen and nobody was getting fired — or hired.

Is Fewer Better? Disney Cuts Output

By Bernard Weinraub
New York Times Service

LOS ANGELES — Facing a glut of movies in a competitive marketplace and an uneven track record, Walt Disney Co. is planning to reduce its output of films by 50 percent and trim its senior executive line-up, company officials say.

The decision by Joe Roth, chairman of the studio, marks the first effort by a major Hollywood company to limit its output because of the spiraling costs of making and marketing movies, as well as the current Darwinian atmosphere in which numerous movies fail to survive after the first weekend in release.

Top executives at rival studios said Disney's decision, which had been rumored for weeks, was somewhat disingenuous because the studio's substantial output of live-action feature films had resulted in a series of financial disappointments.

Not only have numerous Disney films floundered at the box office, but too many of them seemed similar, particularly the comedies involving either sports or teenagers. As the head of one studio said, "The problem isn't the glut of movies; it's the glut of Disney movies."

Disney's output, last year and this year, included such disappointments as "Celtic Pride" "Eddie," "Two Much," "Last Dance," "Before and After," "Mr. Wrong" and "White Squall."

Mr. Roth, who replaced Jeffrey Katzenberg as head of the studio less than two years ago, said the company's current annual output of 35 to 40 movies would be cut to 20 films. That is less than such rivals as Warner Brothers and Sony, but more than Paramount, 20th Century-Fox and Universal.

More than any other studio, Disney has for years operated under a strategy that could be crudely defined as quantity, not quality. Initially forged by Mr. Katzenberg and Michael D. Eisner, chairman of the studio, the tactic was designed to build up the Disney library, which lagged behind other studios' libraries, and provide movies for expanding cable markets as well as theaters abroad, an increasing source of revenue.

But many Disney movies died, and even many that eked out a small profit domestically failed to generate interest abroad, where big-star action films are popular and the sports and youth comedies that Disney churned out are not.

The cutback will change the mix of the Disney studios' output, increasing the emphasis on what Disney considers "family films." These films, produced by Walt Disney Pictures, include the remake of "101 Dalmatians," and recent hits like "The Santa Clause," "Homeward Bound II" and "Muppet Treasure Island." Still, not all family films pay off: "James and the Giant Peach" was one recent disappointment.

Jeffrey Logsdon, an entertainment analyst at the Seidler Co., estimated that live-action movie losses for the studio reached as much as $200 million from 1992 to 1994, the last two years of Mr. Katzenberg's reign.

He said the live-action division may have broken even last year and that it was difficult to assess fiscal 1996 because the company took a substantial write-off shelving a large list of live-action projects begun in the Katzenberg era. The write-off may have been as much as $60 million, according to financial analysts.

"It would appear that they're redefining how they're going to do business," Mr. Logsdon said.

■ Disneyland Paris Package

Euro Disney SCA said it had signed a two-year agreement with British Airways PLC to offer package vacations at Disneyland Paris to British tourists, Bloomberg Business News reported. The operator of the French theme park did not disclose financial details.

EU to Seek Repayment From VW

Reuters

BRUSSELS — The European Commission is expected to order Volkswagen AG to repay 240 million Deutsche marks ($160 million) in excess subsidies to operations in the former East Germany, European Union sources said Monday.

The amount is part of a 950 million DM aid package to help increase production in the company's Golf model. The commission initially questioned the payment of as much as 300 million DM but found that some of it could be allowed in for the closure of a plant, the sources said.

The reimbursement is another setback for Germany, whose ability to control the way public money is used by businesses has been seriously undermined in recent cases. These include subsidies to the shipbuilding firm Bremer Vulkan and an investment by the French oil company Elf Aquitaine in construction of a refinery in Leuna in Eastern Germany.

CURRENCY & INTEREST RATES

Cross Rates June 17

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.708	2.6075	1.1281	0.3302	0.1105*	—	5.445*	1.36	1.5631*	1.246	1.3255*
Brussels	31.2875	48.34	20.561	4.6575	2.0257*	18.3685	—	24.90	0.2800	22.89	24.39*
Frankfurt	1.5185	2.3449	—	0.2946	0.9825*	0.8929	4.8614*	1.2346	1.3809*	1.1122	1.1823*
London (a)	1.545	—	2.345	7.9579	2,377.83	2.6264	48.2405	1.9311	168.155	2.1116	198.15
Madrid	128.273	198.31	84.557	24.915	8.312*	75.499	4.1183	102.758	117.79*	93.952	—
Milan	1,543.40	2,380.96	1,016.38	299.20	—	90.785	49.489	1,235.40	14.208	1,122.39	12.027
New York (b)	—	1.5435a	1.5216	5.1635	1,542.00	1.7034	31.29	1.2535	109.01	1.3674	128.05
Paris	5.1485	7.9505	3.3939	—	0.3336*	3.0303	0.165	4.1344	4.7278*	3.771	4.013*
Tokyo	108.95	167.68	71.66	21.16	0.707	63.99	3.484	86.93	—	79.86	0.8477
Toronto	1.3673	2.1106	0.8992	0.265	0.0887*	0.8039	0.4372*	1.0923	1.254*	—	1.064*
Zurich	Not Available										
1 ECU	1.2596	0.8140	1.9108	6.465	1,943.93	2.1400	39.3887	1.5724	132.17	1.7197	161.666
1 SDR	1.4454	0.9357	2.1948	7.4416	N.Q.	2.4457	45.1073	1.8082	157.549	1.9748	185.45

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	240.78	Mex. peso	7.575	S. Afr. rand	4.3575
Australian $	1.2641	Hong Kong $	7.7431	N. Zealand $	1.4817	S. Kor. won	796.20
Austrian sch.	10.67	Hung. forint	152.70	Norw. krone	6.5115	Swed. krona	6.6857
Brazil real	1.022	Indian rupee	35.007	Phil. peso	26.15	Taiwan $	27.63
Chinese yuan	8.3421	Indo. rupiah	2323.35	Polish zloty	2.74	Thai baht	25.33
Czech koruna	27.37	Irish £	0.6285	Port. escudo	157.06	Turkish lira	79450.
Danish krone	5.8517	Israeli shek.	3.2658	Russ ruble	5029.	UAE dirham	3.671
Egypt. pound	3.3955	Kuw. dinar	0.299	Saudi riyal	3.75	Venez. boliv.	471.69
Fin. markka	4.6677	Malay. ringg.	2.4952	Sing. $	1.409		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5450	1.5447	1.5445	Japanese yen	108.43	107.96	107.90
Canadian dollar	1.3643	1.3635	1.3627	Swiss franc	1.2450	1.2418	1.2398
Deutsche mark	1.5146	1.5118	1.5090				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits June 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/4 - 5 7/16	3 3/16 - 3 5/16	2 1/16 - 2 1/8	5 9/16 - 5 11/16	3 3/4 - 3 7/8	7/16 - 1/2	4 3/8 - 4 1/2
3-month	5 1/2 - 5 9/16	3 1/4 - 3 3/8	2 1/2 - 2 5/8	5 11/16 - 5 13/16	3 15/16 - 4	7/16 - 9/16	4 3/8 - 4 1/2
6-month	5 9/16 - 5 3/4	3 1/4 - 3 3/8	2 3/8 - 2 1/2	5 7/8 - 6	4 - 4 1/16	9/16 - 11/16	4 7/16 - 4 9/16
1-year	6 - 6 1/16	3 1/2 - 3 11/16	2 11/16 - 2 13/16	6 - 6 1/16	4 5/16 - 4 7/16	7/8 - 1	4 9/16 - 4 11/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 3/8	5 1/4
3-month CDs	5.02	5.04
CP 180 days direct	6.11	6.11
3 month Treasury bill	5.05	5.06
1-year Treasury bill	5.50	5.45
2-year Treasury bill	6.23	6.25
5-year Treasury note	6.67	6.70
7-year Treasury note	6.76	6.79
10-year Treasury note	6.89	6.93
30-year Treasury bond	7.06	7.09
Merrill Lynch 30-day RA	4.78	4.78
Japan		
Discount rate	0.50	0.50
Call money	0.32	0.39
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.69	0.69
10-year Govt bond	3.21	3.21
Germany		
Lombard rate	4.50	4.50
Call money	3.35	3.35
1-month interbank	3.40	3.40
3-month interbank	3.45	3.40
6-month interbank	3.47	3.45
10-year Bond	6.66	6.66

Britain		
Bank base rate	5 3/4	5 3/4
Call money	5 11/16	5 3/4
1-month interbank	5 3/4	5 3/4
3-month interbank	5 13/16	5 13/16
6-month interbank	5 7/8	5 15/16
10-year Gilt	8.13	8.11
France		
Intervention rate	3.60	3.60
Call money	3 3/4	3 3/4
1-month interbank	3 3/4	3 3/4
3-month interbank	3 7/8	3 15/16
6-month interbank	4 1/16	4 1/16
10-year OAT	6.67	6.65

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Crédit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	385.35	+ 1.10
London	384.55	385.00	+ 0.90
New York	387.10	387.30	+ 0.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

FIDELITY FAR EAST FUND
Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
L-1021 Luxembourg
R.C. 16926

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of the Fidelity Far East Fund, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Company"), will be held at the registered office of the Company, Kansallis House, Place de l'Etoile, Luxembourg, at 11.00 am on June 25, 1996, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended February 29, 1996.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs Edward C Johnson 3rd, Barry R J Bateman, Charles T M Collis, Charles A Fraser, Jean Hamilius and H F van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended February 29, 1996.
8. Consideration of such other business as may properly come before the Meeting.

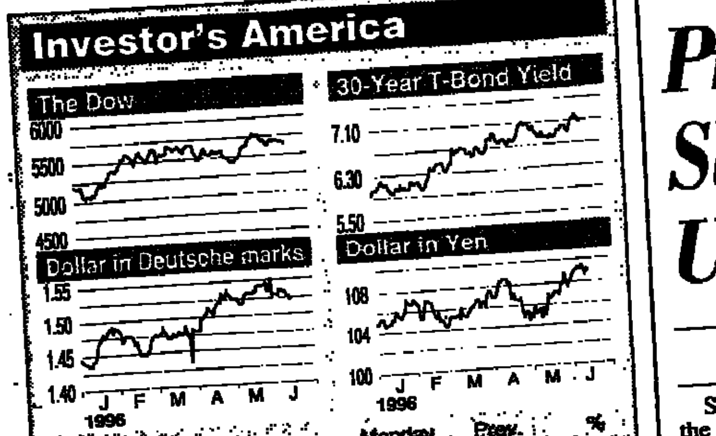
Approval of items 1 through 8 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

BY ORDER OF THE BOARD OF DIRECTORS
April 16, 1996

Fidelity Investments

Investor's America



Exchange	Index	Monday Close	Prev. Close	% Change
NYSE	The Dow	5652.78	5649.45	+0.06
NYSE	S&P 500	665.16	665.85	-0.10
NYSE	S&P 100	642.20	642.32	-0.02
NYSE	Composite	356.92	357.19	-0.08
U.S.	Nasdaq Composite	1208.20	1214.06	-0.48
AMEX	Market Value	590.53	593.85	-0.56
Toronto	TSE Index	5043.36	5030.19	+0.26
São Paulo	Bovespa	57182.79	56105.00	+1.92
Mexico City	Bolsa	3190.66	3174.68	+0.50
Buenos Aires	Merval	Closed	585.20	-
Santiago	IPSA General	5467.33	5497.14	-0.54
Caracas	Capital General	4299.21	4349.27	-1.15

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

- **Kmart Corp.** said it had obtained more than $4.7 billion in new financing. The discount retailer completed a three-year, $3.7 billion credit agreement with a syndicate led by Chase Manhattan and a $1 billion public offering of 7.75 percent trust convertible preferred stock.
- **Science Applications International Corp.** said it won two contracts from the Department of Transportation's Information Technology Omnibus Procurement program that could be worth as much as $1.13 billion over seven years.
- **U.S. Healthcare Inc.** Chairman Leonard Abramson will gross almost $1 billion when his company is acquired by **Aetna Life & Casualty Co.** Aetna plans to purchase U.S. Healthcare in a transaction valued at $8.9 billion.
- **GE Information Services** signed **Uunet Technologies Inc.** to provide Internet access to GE's small-business customers. Terms weren't disclosed
- **Western Resources Inc.** increased its uninvited, all-stock offer for **Kansas City Power & Light Co.** by about $200 million, to $1.9 billion. Western Resources is in a bidding war for KCPL with **UtiliCorp United Inc.**
- **First Union Corp.** said it had reached agreements to buy two banks, **Home Financial Corp.** of Florida and **Center Financial Corp.** of Connecticut, for a total of about $715 million in stock.
- **Varlen Corp.** agreed to acquire **Brenco Inc.**, a railroad equipment maker, for $165 million, or $16.125 a share, to capitalize on growing international interest in U.S. freight railroad technology.
- **Circus Circus Enterprises Inc.** agreed to develop a 400-room luxury hotel with **Four Seasons Hotels Inc.** as part of a $700 million-plus resort complex the casino company is planning for the Las Vegas Strip. Terms of the agreement weren't disclosed.

Bloomberg

Profit Margins Slashed as Sony Unveils New PC

By Lawrence M. Fisher
New York Times Service

Seven months after announcing its intention to enter the personal computer business, Sony Corp. was to introduce its first two machines Monday evening, designed and built in the United States for the domestic consumer market. The "PC by Sony" will cost $2,000 to $3,000, depending on features, and will be available in August, people familiar with Sony's plans said.

Given all its features, the PC would seem to offer Sony razor-thin profit margins, if any at all. Indeed, Sony executives acknowledge that the product had lower margins than they were used to, but they said the double-digit growth of the PC business made it an attractive one and that the convergence of computers, communications and entertainment was an event Sony could not afford to miss.

The PC by Sony falls short of the company's claim in November that it would produce a computer as easy to use as a television set. That prompted speculation that Sony might design its own operating system, but Sony executives said their market research led them to a more conventional model.

Audio and video features separate it from its rivals.

Where Sony has put its engineering muscle is in the computer's audio and video, with a powerful amplifier and built-in speakers and some clever software for displaying video.

Indeed, the audio and video strengths would seem to set the Sony apart from earlier Japanese entries in the American market, such as Canon and Matsushita, neither of which has fared well. Sony is likely to create competition for Compaq Computer, Hewlett-Packard, Packard Bell Electronics and other computer makers — not just with its computer's features but with its strong brand name.

"Because Sony has its fingers on the semiconductor components going into it on both the analog and digital side, it can afford to put things into it that Hewlett-Packard and Compaq can't," said Tiernan Ray, a staff writer for Computer Letter, an industry newsletter. "The 3-D graphics chip, which is their own, scales up the software MPEG to full screen with amazing results," he added, referring to the video display.

Packed with multimedia features and enclosed in a sleek gray-and-purple tower, Sony's PC was designed to offer entertainment features as well as powerful computing. The base model has a 166-megahertz version of Intel Corp.'s Pentium processor and 16 megabytes of random-access memory; the more powerful sibling has a 200-megahertz Pentium chip and 32 megabytes of RAM.

■ IBM Returns to Computer Printer Business

International Business Machines Corp. said it would re-enter the $8 billion computer printer business after the expiration of a five-year agreement not to compete with its former printer unit, Lexmark, Bloomberg Business News reported from New York. Lexmark International Group Inc., a unit of IBM until it was spun off in 1991, went public in 1995. IBM agreed not to compete with the printer maker until this year.

Stocks End Mixed Despite Bond Rally

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices ended mixed Monday as a rally in bonds failed to shake investors' concern that profits would not meet expectations this year.

Oil shares gained, but semiconductor issues retreated.

"We're very concerned about the profit outlook," said Kip Wright, portfolio manager at Kirr, Marbach & Co. in Indianapolis, which oversees $800 million. "We're hearing that business is OK, not booming. A lot of companies are leery about being too optimistic about the next six months."

U.S. STOCKS

The Dow Jones industrial average closed at 5,652.78, up 3.33 points, snapping a five-session losing streak that had amounted to less than 50 points and punctuated the prevailing uncertainties about the direction of inflation and interest rates. But decliners led advancers on the New York Stock Exchange by a narrow 11-to-10 ratio.

Volume was a slight 298 million shares, down from the 449 million shares traded Friday.

In the broader market, the Standard and Poor's 500 Index closed down less than a point at 665.46, and the Nasdaq stock market ended at 1,208.20, off 4.98.

In the bond market, interest rates were hardly changed until midafternoon, when the yield on the 30-year Treasury bond edged lower to 7.06 percent from 7.09 percent. The benchmark rate is a key determinant of corporate and consumer borrowing costs.

Investors have been frustrated by a series of conflicting signals on inflation, with most fearing recent indications of rising payroll and wage levels, which could translate into too much consumer demand, pushing up prices. Many analysts expect the U.S. Federal Reserve to raise interest rates in early July to slow borrowing and spending.

On the New York Stock Exchange, AptarGroup ended down 3 at 36. The maker of pumps and aerosol valves expects second-quarter earnings below analysts' forecasts.

AptarGroup said softness in the European fragrance and cosmetics market continued to hurt revenue, and European profit is expected to be hurt by unfavorable exchange rates.

Pharmacia & Upjohn rose ⅛ to 42½. The Food and Drug Administration approved Camptosar, the company's antitumor drug for people with colon or rectal cancers that have recurred or spread to other parts of the body.

On the Nasdaq stock market, Microsoft was up 1 at 124. The software giant indicated that forecasts that financial fourth-quarter earnings would rise 46 percent were in line with company expectations. *(Bloomberg, AP)*

Yeltsin's Showing Helps Lift the Mark

Bloomberg Business News

NEW YORK — The Deutsche mark rose to a one-month high against the dollar Monday as President Boris N. Yeltsin led the first round of balloting in Russia's presidential election.

Prospects for political stability in Russia often help the mark because of Germany's proximity and the close economic ties between the two nations. Germany is Russia's largest trading partner and its biggest creditor.

"Yeltsin winning this round was a relief for the market," said John McCarthy, foreign exchange manager at ING Capital Markets. "So the pressure dthe election exerted on the mark last week was quieted."

Mr. Yeltsin led his Communist rival, Gennadi Zyuganov, in first-round balloting, though he did not win enough votes to avoid a second-round runoff.

"The Russian election is a done deal for the moment," said Kevin Weir, a currency salesman at ABN-Amro Bank in Chicago. "There was relief that we don't have a clear victory for the neo-Communists in Russia."

FOREIGN EXCHANGE

Also helping the German currency were statements from the Bundesbank indicating that its officials believe the dollar has risen enough against the mark. The dollar has gained 13 percent against the German currency since hitting a post-World War II low of 1.3455 DM on March 8, 1995.

In New York trading, the dollar closed at 1.5216 DM, down from 1.5275 DM on Friday. It also slipped to 109.01 yen from 109.15 yen. Against other major currencies, the dollar fell to 1.2535 Swiss francs from 1.2565 francs and to 5.1625 French francs from 5.1760 francs. The pound rose to $1.5435 from $1.5370.

The Bundesbank said in its monthly report for June that last year's rise by the mark against the dollar had been "fully" reversed.

After falling about 8 percent against the mark last year, the dollar has risen 6 percent so far this year.

AMEX

Monday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5659.86	5677.98	5637.26	5652.78	+3.33
Trans	2203.17	2203.74	2190.04	2190.90	-12.55
Util	207.73	207.87	206.48	207.31	-0.14
Comp	1836.59	1840.02	1829.82	1832.33	-2.61

Standard & Poors

	High	Low	Close	Chg.
Industrials	797.26	792.36	793.54	-0.84
Transp.	513.64	509.80	510.23	-2.64
Utilities	188.47	187.43	187.71	-0.36
Finance	67.28	66.75	66.96	+0.02
SP 500	668.27	664.09	665.16	-0.69
SP 100	645.50	640.89	642.20	-0.12

NYSE

	High	Low	Last	Chg.
Composite	358.28	356.38	356.92	-0.28
Industrials	458.61	456.18	456.80	-0.41
Transp.	329.53	327.56	327.74	-1.79
Utility	244.81	243.65	244.13	-0.25
Finance	295.33	293.63	294.35	+0.11

Nasdaq

	High	Low	Last	Chg.
Composite	1214.11	1207.58	1208.20	-4.98
Industrials	1148.76	1141.41	1141.51	-6.45
Banks	1076.58	1074.70	1075.20	+0.79
Insurance	1305.77	1301.21	1305.77	+4.53
Finance	1306.67	1304.55	1304.53	-0.56
Transp.	918.39	915.25	915.60	-0.46

AMEX

High	Low	Last	Chg.
593.86	588.95	590.53	-3.32

Dow Jones Bond

	Close	Chg.
20 Bonds	101.23	-0.04
10 Utilities	97.96	+0.18
10 Industrials	104.49	-0.27

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Kmart	53696	14⅛	13⅞	14	+⅛
IndoTel n	30003	28¾	28⅛	28¼	+⅝
Pfizer	31786	77⅝	75	76⅛	-⅞
AlcDnids	29955	47⅛	46⅞	46⅞	-1⅛
IntRects	29944	19⅝	18⅞	19¼	+⅛
AT&T	28171	63⅜	62⅞	63⅛	+⅛
WMX Tc	27159	32⅜	32⅛	32⅛	-⅛
LSI Log	24500	27⅝	26⅜	26⅞	-⅝
MicrnT	22536	28⅛	27⅛	27⅜	-⅞
Seagate	22249	46⅞	45⅛	45⅞	-2
CocaCl s	21636	46⅞	46⅛	46⅛	+⅛
BayNtwk s	19763	27⅝	26½	26⅝	-½
HewlPk	19684	100⅛	98⅛	98⅛	-⅝
PepsiCo s	19184	33⅞	33⅛	33⅛	-⅛
IBM	19015	102⅛	100⅞	102½	+⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	88379	73⅝	71¾	72	-1
Iomega s	50809	38⅛	36⅛	37	-1⅝
Pentil	46319	14⅛	10⅛	13⅞	+3⅝
CenterFn	44545	24⅞	24	24⅝	+1⅜
Informix s	41595	22⅝	20⅝	21	-1⅛
SunMics	40754	57⅞	55⅞	55⅞	-1⅝
US HIthC	39806	55	54⅛	54⅞	-⅞
Cisco s	37741	55½	54⅛	54⅞	-⅜
Microsft	35884	125	122⅞	124⅛	+1
ChinRs n	34713	¹¹⁄₃₂	⁹⁄₃₂	¼	+⅟₁₆
Oracle s	26859	34⅛	33⅛	33⅞	
3Com s	26333	47⅞	46⅛	46⅞	-⅞
SyQstTc	25369	11⅛	9⅝	11⅛	+1⅝
MadgeNt	25167	18	15⅝	16⅛	-1
CellBcp s	24677	18½	10	10½	+⅟₁₆

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	18905	67⅝	66¹⁵⁄₃₂	66¹⁹⁄₃₂	-⅟₃₂
BemaGold	18647	4⅝	4⅜	4½	+⅛
Atari	9572	6⅜	6⅛	6⅛	-⅛
ViacB	5985	38⅛	37⅝	37⅞	-⅜
Ampex n	5573	11	10⅛	10½	-⅜
XCL Ltd	5470	⅜	⁵⁄₁₆	⅜	+⅟₁₆
EchoBay	5011	11⅛	10⅞	11⅛	-⅛
TWA n	4646	19⅞	19⅛	19¼	-⅜
FAusPr	4503	8⅝	8⅛	8⅝	
CheySoft	4393	21⅝	20⅛	20⅝	-⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	1094	1807
Declined	1215	1325
Unchanged	828	786
Total issues	3137	3118
New Highs	57	57
New Lows	33	33

Nasdaq

	Close	Prev.
Advanced	1650	1648
Declined	2117	2099
Unchanged	1772	1790
Total issues	5539	5537
New Highs	123	147
New Lows	73	54

AMEX

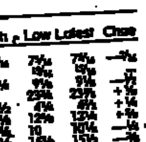
	Close	Prev.
Advanced	230	235
Declined	298	280
Unchanged	202	227
Total issues	730	742
New Highs	13	13
New Lows	9	8

Market Sales

	Today Close	Prev. cons.
NYSE	298.32	449.12
Amex	17.26	23.371
Nasdaq	398.32	509.88

In millions.

IF THIS PAGE WERE THE ISLAND OF PANGKOR LAUT, THIS AD WOULD REPRESENT HOW MUCH HAS BEEN DEVELOPED.



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Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INTERNATIONAL FUTURES

June 17, 1996

	High	Low	Close	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	4.71½	4.56	4.59½	-0.05¼	88,165
Sep 96	3.96	3.76	3.78	-0.07½	69,714
Dec 96	3.59	3.44	3.45½	-0.02¾	165,722
Mar 97	3.63	3.50	3.50¼	-0.03	21,561
May 97	3.63	3.51½	3.51½	-0.04	4,163
Est. sales N.A. Fri's. sales 66,589					
Fri's open int 358,594 off 3080					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 96	240.00	237.30	238.20	+2.40	34,394
Aug 96	239.50	236.90	237.60	+2.00	15,076
Sep 96	238.50	236.00	236.10	+1.80	9,199
Oct 96	234.50	230.80	231.30	+1.80	4,515
Dec 96	234.50	230.00	230.40	+1.70	22,060
Jan 97	233.00	230.30	230.30	+1.80	2,254
Est. sales N.A. Fri's. sales 18,227					
Fri's open int 90,220 up 2092					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jul 96	25.97	25.60	25.66	+0.11	27,897
Aug 96	26.15	25.80	25.84	+0.12	16,858
Sep 96	26.32	25.98	26.05	+0.12	7,916
Oct 96	26.49	26.19	26.20	+0.10	5,774
Dec 96	26.78	26.38	26.46	+0.17	24,814
Jan 97	26.80	26.52	26.55	+0.20	1,927
Est. sales N.A. Fri's. sales 14,847					
Fri's open int 88,250 up 1365					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	7.82	7.68	7.73	+0.03¼	45,560
Aug 96	7.77	7.63¾	7.67½	+0.03¾	21,457
Sep 96	7.59	7.49	7.49¼	+0.05½	7,867
Nov 96	7.50	7.36	7.36¼	+0.05½	87,796
Jan 97	7.55	7.42	7.43¼	+0.06	6,927
Est. sales N.A. Fri's. sales 35,865					
Fri's open int 181,105 up 1738					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	5.05	4.91	4.92	-0.04	33,225
Sep 96	5.09	4.97	4.97½	-0.03	24,477
Dec 96	5.18	5.06	5.07	-0.03½	20,809
Mar 97	5.18	5.06	5.06	-0.05¼	2,635
Est. sales N.A. Fri's. sales 16,214					
Fri's open int 83,065 off 325					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Jun 96	63.20	62.95	63.10	-0.50	4,975
Aug 96	66.40	65.82	65.97	-0.35	39,091
Oct 96	67.15	66.75	66.85	-0.40	24,325
Dec 96	65.05	64.75	64.77	-0.33	11,486
Feb 97	64.10	63.77	63.80	-0.30	11,028
Apr 97	66.80	66.57	66.57	-0.13	3,358
Est. sales 12,123 Fri's. sales 10,922					
Fri's open int 96,189 up 69					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 96	61.55	60.75	61.32	-0.23	7,779
Sep 96	61.00	60.30	60.90	-0.15	2,844
Oct 96	61.05	60.50	60.95	-0.27	4,783
Nov 96	62.45	62.05	62.45	-0.20	2,338
Jan 97	63.80	63.40	63.52	-0.28	1,061
Mar 97	63.55	63.20	63.25	-0.30	716
Est. sales 2,730 Fri's. sales 2,459					
Fri's open int 28,111 up 55					
HOGS-Live(3/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Jun 96	61.30	60.30	60.37	-0.50	3,408
Jul 96	58.07	56.70	56.75	-1.08	8,571
Aug 96	55.07	53.55	53.57	-1.18	11,443
Oct 96	50.50	48.50	48.67	-1.10	6,021
Dec 96	53.25	51.85	51.92	-0.93	5,783
Feb 97	75.95	74.20	74.20	-0.45	1,581
Est. sales 6,770 Fri's. sales 8,398					
Fri's open int 37,941 up 297					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Jul 96	74.70	72.75	72.75	-2.00	4,136
Aug 96	72.50	70.10	70.17	-1.88	2,892
Feb 97	78.95	76.85	77.05	-0.67	813
Mar 97			79.00	-0.35	59
May 97			80.00	-0.40	54
Est. sales 3,461 Fri's. sales 2,916					
Fri's open int 7,954 off 477					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Jul 96	1400	1375	1378	-36	1,921
Sep 96	1433	1416	1417	-22	35,923
Dec 96	1447	1437	1438	-14	19,398
Mar 97	1465	1450	1453	-10	13,434
May 97	1473	1468	1463	-7	6,711
Est. sales 5,435 Fri's. sales 18,974					
Fri's open int 88,814 off 857					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Jul 96	121.60	117.60	120.70	+2.75	7,824
Sep 96	117.75	114.75	116.85	+1.75	11,713
Dec 96	114.50	112.20	114.10	+1.60	4,810
Mar 97	112.60	110.50	112.20	+1.45	1,098
Est. sales 9,886 Fri's. sales 5,647					
Fri's open int 25,492 off 473					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Jul 96	11.72	11.61	11.67		48,029
Oct 96	11.26	11.13	11.23	+0.07	46,237
Mar 97	10.85	10.80	10.84		33,470
May 97	10.69	10.63	10.67	+0.02	11,432
Est. sales 20,469 Fri's. sales 15,025					
Fri's open int 154,558 up 777					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 96	122.90	121.60	122.75	+1.30	9,710
Sep 96	120.35	119.30	119.95	+0.60	7,976
Nov 96	116.75	116.10	116.10		1,902
Jan 97	115.00	114.30	114.50	+0.30	3,762
Est. sales N.A. Fri's. sales 1,496					
Fri's open int 22,483 up 103					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jun 96	385.00	384.30	385.00	+0.30	93
Jul 96			385.90	+0.20	
Aug 96	387.60	386.30	387.30	+0.20	91,000
Oct 96	390.40	389.60	390.10	+0.20	7,509
Dec 96	393.40	392.00	392.90	+0.20	37,433
Feb 97			395.60	+0.20	8,179
Apr 97			398.20	+0.20	6,522
Jun 97	399.80	399.80	400.90	+0.20	8,451
Est. sales N.A. Fri's. sales 26,908					
Fri's open int 197,261 up 2108					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jun 96	101.00	98.00	99.85	-0.15	2,288
Jul 96	96.20	90.70	93.90	+0.85	16,117
Aug 96	95.30	95.00	93.05	-0.30	1,284
Sep 96	93.80	87.80	91.85	+0.50	11,476
Oct 96	94.00	92.70	92.05	+0.80	987
Nov 96	94.00	92.70	91.95	+0.90	914
Dec 96	94.00	91.00	91.85	+0.85	10,136
Jan 97	93.90	92.50	91.75	+0.75	719
Feb 97	94.00	93.00	91.65	+0.65	406
Est. sales N.A. Fri's. sales 16,948					
Fri's open int 53,451 up 2965					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jun 96	505.0	505.0	517.1	+1.0	1
Jul 96	520.0	512.0	518.2	+1.0	54,023
Aug 96			520.9	+1.0	17
Sep 96	525.5	517.0	523.7	+1.1	30,476
Dec 96	533.5	527.5	531.7	+1.2	13,035
Jan 97			535.2	+1.2	16
Mar 97	539.0	537.0	539.9	+1.3	5,320
May 97	543.0	543.0	545.3	+1.4	5,345
Est. sales N.A. Fri's. sales 36,578					
Fri's open int 113,503 off 1272					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 96	394.50	394.50	394.80	-1.00	13,582
Oct 96	399.00	397.10	397.70	-1.00	11,343
Jan 97			400.70	-1.30	1,294
Apr 97	405.00	405.00	403.70	-1.60	1,755
Jul 97			407.00	-1.60	25
Est. sales N.A. Fri's. sales 1,956					
Fri's open int 27,999 off 11					

LONDON METALS (LME)

Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1458¼	1459½	1484½	1485½
Forward	1496.00	1497.00	1520.00	1521.00
Copper Cathodes (High Grade)				
Spot	2080.00	2090.00	2140.00	2250.00
Forward	1995.00	1991.00	2035.00	2040.00
Lead				
Spot	772½	773½	774.00	775.00
Forward	780.00	781.00	779.00	780.00
Nickel				
Spot	7655.00	7665.00	7745.00	7750.00
Forward	7765.00	7770.00	7850.00	7860.00
Tin				
Spot	6170.00	6180.00	6210.00	6220.00
Forward	6175.00	6180.00	6210.00	6215.00
Zinc (Special High Grade)				
Spot	999.00	1000.00	1008½	1009½
Forward	1025½	1026.00	1033.00	1034.00

	High	Low	Close	Chge	OpInt
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct					
Jun 96	94.95	94.91	94.95	+0.03	4,274
Sep 96	94.70	94.64	94.69	+0.04	5,688
Dec 96	94.44	94.37	94.43	+0.05	1,686
Mar 97			94.08		1
Est. sales N.A. Fri's. sales 586					
Fri's open int 11,569 up 137					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 96	105-065	104-29	105-045	+ 06	34,283
Sep 96	104-27	104-165	104-25	+ 065	146,513
Dec 96			104-10	+ 065	3,440
Est. sales 40,000 Fri's. sales 48,843					
Fri's open int 184,236 off 752					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 96	106-15	106-04	106-15	+ 10	32,951
Sep 96	106-01	105-20	106-00	+ 10	254,550
Dec 96	105-12	105-04	105-12	+ 09	5,266
Est. sales 88,888 Fri's. sales 95,115					
Fri's open int 292,987 off 2885					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Jun 96	108-01	107-08	107-29	+ 17	39,495
Sep 96	107-16	106-21	107-11	+ 17	384,785
Dec 96	106-31	106-07	106-26	+ 17	13,702
Mar 97	106-13	105-31	106-13	+ 16	2,289
Est. sales 360,000 Fri's. sales 414,063					
Fri's open int 440,338 off 8404					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun96	105-25	105-19	105-22	Unch.	12,482
Sep96	104-25	104-13	104-19	Unch.	118,425
Dec96	N.T.	N.T.	103-19	Unch.	0
Est. sales: 26,484. Prev. sales: 56,391					
Prev. open int.: 130,907 off 2,348					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep96	94.79	94.42	94.59	+ 0.04	191,563
Dec96	93.84	93.64	93.72	+ 0.10	1,311
Est. sales: 107,913. Prev. sales: 183,406					
Prev. open int.: 192,874 up 6,771					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 96	122.68	122.52	122.52	+0.04	30,117
Sep 96	121.16	120.60	120.74	-0.22	138,721
Dec 96	119.84	119.42	119.50	-0.22	15,514
Mar 97	119.60	119.60	119.36	-0.20	661
Est. volume: 130,585. Open int.: 185,013 off 3,863.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep96	114.89	114.40	114.81	+ 0.25	56,766
Dec96	N.T.	N.T.	114.16	+ 0.25	181
Est. sales: 30,900. Prev. sales: 53,773					
Prev. open int.: 56,947 up 1,133					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jun 96	94.420	94.410	94.420	+20	290,316
Jul 96	94.350	94.330	94.350	+20	13,141
Aug 96	94.260	94.230	94.260	+30	4,323
Sep 96	94.190	94.120	94.170	+40	395,832
Dec 96	93.840	93.770	93.830	+40	432,703
Mar 97	93.650	93.570	93.640	+50	288,882
Jun 97	93.460	93.380	93.440	+40	237,281
Mar 00	92.680	92.630	92.680	+50	29,848
Est. sales N.A. Fri's. sales 501,322					
Fri's open int 2,734,300 off 3928					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 96	1.5462	1.5424	1.5444	+94	32,460
Sep 96	1.5458	1.5370	1.5428	+86	40,690
Dec 96	1.5450	1.5420	1.5436	+86	93
Mar 97			1.5444	+86	6
Est. sales N.A. Fri's. sales 13,489					
Fri's open int 73,249 up 747					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Can. dlr					
Jun 96	.7326	.7311	.7314	-15	12,894
Sep 96	.7341	.7322	.7326	-15	23,154
Dec 96	.7342	.7339	.7336	-15	2,868
Mar 97	.7358	.7350	.7344	-15	489
Est. sales N.A. Fri's. sales 9,501					
Fri's open int 38,958 up 612					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 96	.6595	.6570	.6581	+32	31,478
Sep 96	.6633	.6592	.6610	+27	55,003
Dec 96	.6664	.6650	.6647	+25	1,821
Mar 97			.6687	+25	23
Est. sales N.A. Fri's. sales 56,340					
Fri's open int 88,325 up 7888					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 96	.009192	.009165	.009184	+19	27,991
Sep 96	.009314	.009270	.009290	+8	64,323
Dec 96	.009430	.009400	.009409	+8	3,569
Est. sales N.A. Fri's. sales 46,914					
Fri's open int 96,008 off 224					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 96	.8016	.7980	.7993	+34	16,540
Sep 96	.8075	.8018	.8045	+28	34,461
Dec 96	.8126	.8056	.8106	+28	1,051
Est. sales N.A. Fri's. sales 28,300					
Fri's open int 52,315 off 2803					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun96	94.10	94.09	94.10	+ 0.01	54,481
Sep96	94.16	94.12	94.13	- 0.01	82,234
Dec96	93.95	93.89	93.91	- 0.02	81,138
Mar97	93.56	93.49	93.51	- 0.02	55,724
Jun97	93.09	93.04	93.05	- 0.02	40,721
Sep97	92.70	92.66	92.67	- 0.01	28,608
Dec97	92.37	92.32	92.35	Unch.	22,141
Mar98	92.11	92.06	92.08	+ 0.01	14,926
Jun98	91.91	91.87	91.90	+ 0.02	9,768
Sep98	91.80	91.75	91.79	+ 0.02	8,029
Dec98	91.70	91.65	91.70	+ 0.03	8,442
Mar99	91.62	91.56	91.61	+ 0.02	2,802
Est. sales: 37,514. Prev. sales: 58,690					
Prev. open int.: 409,034 off 2,740					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Jun96	96.60	96.57	96.56	- 0.02	139,429
Sep96	96.53	96.45	96.47	- 0.02	221,528
Dec96	96.28	96.16	96.19	- 0.04	201,045
Mar97	95.94	95.78	95.84	- 0.04	181,972
Jun97	95.57	95.40	95.44	- 0.07	105,113
Sep97	95.22	95.04	95.09	- 0.07	85,263
Dec97	94.90	94.71	94.76	- 0.08	61,288
Mar98	94.60	94.44	94.49	- 0.06	36,425
Jun98	94.34	94.20	94.24	- 0.06	24,087
Sep98	94.10	93.98	94.01	- 0.05	18,544
Dec98	93.87	93.77	93.78	- 0.05	17,982
Mar99	93.64	93.58	93.56	- 0.02	14,291
Est. sales: 222,963. Prev. sales: 412,330					
Prev. open int.: 1,106,020 off 10,718					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 96	95.99	95.96	95.99	+0.03	38,352
Sep 96	95.78	95.62	95.67	- 0.05	58,783
Dec 96	95.63	95.43	95.50	- 0.06	34,937
Mar 97	95.43	95.28	95.30	- 0.06	25,293
Jun 97	95.21	95.08	95.10	- 0.07	16,621
Sep 97	94.96	94.86	94.89	- 0.03	11,296
Dec 97	94.72	94.65	94.66	- 0.04	8,082
Mar 98	94.49	94.43	94.45	- 0.01	7,577
Jun 98	94.30	94.25	94.25	- 0.02	4,822
Sep 98	94.08	93.99	94.04	- 0.03	2,915
Dec 98	93.84	93.81	93.81	- 0.03	3,529
Mar 99	93.60	93.59	93.59	- 0.01	4,320
Est. volume: 82,232. Open int.: 215,748 up 6,451.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun96	91.16	91.12	91.13	- 0.02	28,867
Sep96	91.85	91.74	91.84	+ 0.05	54,427
Dec96	92.10	92.01	92.09	+ 0.03	29,926
Mar97	92.16	92.05	92.14	+ 0.03	13,343
Jun97	92.08	92.00	92.06	Unch.	6,769
Sep97	91.89	91.82	91.89	+ 0.01	5,008
Est. sales: 35,953. Prev. sales: 56,424					
Prev. open int.: 138,470 up 522					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Jul 96	78.50	76.50	77.93	+1.64	12,914
Oct 96	78.00	77.25	77.30	+0.30	5,982
Dec 96	77.50	76.70	76.87	-0.03	29,805
Mar 97	78.00	77.90	77.95	+0.05	5,580
May 97	78.95	78.43	78.43	+0.23	2,899
Jul 97	79.40	79.00	79.10	+0.15	1,419
Est. sales N.A. Fri's. sales 18,437					
Fri's open int 61,439 off 1081					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Jul 96	53.45	51.61	53.25	+1.70	20,378
Aug 96	54.10	52.10	53.65	+1.59	17,999
Sep 96	54.20	52.90	54.00	+1.44	9,580
Oct 96	54.70	53.50	54.25	+1.14	5,471
Nov 96	54.80	53.95	54.80	+1.09	4,729
Dec 96	55.60	54.50	55.25	+0.99	18,775
Jan 97	55.60	54.75	55.50	+0.99	7,833
Feb 97	55.40	54.70	54.85	+0.79	5,309
Mar 97	53.85	53.00	53.85	+1.14	1,965
Apr 97	52.10	51.85	52.10	+1.04	1,201
Est. sales N.A. Fri's. sales 13,951					
Fri's open int 99,386 off 950					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jul 96	22.20	20.34	22.10	+1.76	60,701
Aug 96	20.75	19.50	20.45	+1.15	65,209
Sep 96	20.00	18.94	19.82	+0.83	37,284
Oct 96	19.40	18.62	19.35	+0.67	27,209
Nov 96	19.00	18.40	19.00	+0.38	21,429
Dec 96	18.90	18.34	18.75	+0.38	35,078
Jan 97	18.63	18.40	18.63	+0.37	21,329
Feb 97	18.43	18.23	18.48	+0.22	18,222
Mar 97	18.32	18.25	18.32	+0.21	11,590
Apr 97	18.25	18.05	18.24	+0.20	5,849
May 97	18.16	18.10	18.16	+0.18	5,210
Jun 97	18.25	18.00	18.15	+0.20	17,468
Dec 97	17.95	17.90	17.90	+0.08	15,912
Est. sales N.A. Fri's. sales 58,355					
Fri's open int 386,452 off 8466					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jul 96	2.540	2.490	2.533	+24	25,864
Aug 96	2.610	2.555	2.595	+28	31,346
Sep 96	2.618	2.545	2.595	+41	19,675
Oct 96	2.580	2.525	2.575	+40	17,861
Nov 96	2.585	2.545	2.585	+37	11,482
Dec 96	2.640	2.600	2.630	+39	13,054
Jan 97	2.640	2.595	2.630	+30	8,359
Feb 97	2.535	2.510	2.535	+38	5,691
Mar 97	2.345	2.310	2.335	+28	4,452
Apr 97	2.170	2.150	2.170	+20	2,499
May 97	2.110	2.085	2.100	+23	2,567
Est. sales N.A. Fri's. sales 19,604					
Fri's open int 180,375 up 1708					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Jul 96	61.60	59.60	61.21	+1.71	23,685
Aug 96	61.00	58.80	60.41	+1.59	19,519
Sep 96	59.40	57.90	58.96	+1.46	6,405
Oct 96	56.50	56.00	56.51	+1.26	2,347
Nov 96	55.00	54.75	55.01	+1.16	1,108
Dec 96	54.10	53.75	54.10	+1.10	1,224
Est. sales N.A. Fri's. sales 14,948					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
July 96	164.75	159.50	163.50	+ 5.50	20,777
Aug 96	163.25	158.25	162.25	+ 5.00	11,392
Sep 96	163.00	158.75	162.25	+ 4.25	6,031
Oct 96	162.75	159.75	163.00	+ 4.25	2,422
Nov 96	N.T.	N.T.	163.50	+ 4.25	1,520
Dec 96	164.25	161.00	164.00	+ 4.25	8,738
Jan 97	160.50	160.50	163.50	+ 4.25	1,520
Feb 97	N.T.	N.T.	161.50	+ 4.00	428
Mar 97	N.T.	N.T.	159.50	+ 3.75	201
Apr 97	N.T.	N.T.	157.50	+ 3.75	151
May 97	N.T.	N.T.	156.00	+ 4.25	102
Jun 97	151.75	151.75	154.75	+ 5.00	1,519
Est. sales: 13,931 . Open int.: 53,713 off 438					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
July 96	18.80	17.89	18.65	+0.80	85,170
Aug 96	18.29	17.56	18.26	+0.76	21,492
Sep 96	17.95	17.36	17.93	+0.64	17,656
Oct 96	17.63	17.40	17.69	+0.56	5,010
Nov 96	17.51	17.05	17.52	+0.53	11,789
Dec 96	17.25	17.00	17.38	+0.50	12,118
Jan 97	17.07	17.05	17.27	+0.49	6,126
Feb 97	17.00	17.00	17.17	+0.48	3,454
Mar 97	N.T.	N.T.	17.08	+0.47	2,986
Apr 97	N.T.	N.T.	17.00	+0.46	951
Est. sales:43,345. Open int.: 168,604					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Jun 96	669.10	664.20	666.20	+1.45	180,718
Sep 96	674.90	669.80	672.05	+1.50	110,861
Dec 96	681.20	676.30	680.20	+3.55	5,780
Mar 97	688.40	683.50	684.40	+0.55	859
Est. sales N.A. Fri's. sales 93,370					
Fri's open int 217,338 up 4099					
FTSE 100 (LIFFE) £25 per index point					
Jun96	3766.0	3749.0	3754.0	+ 11.0	30,066
Sep96	3768.0	3751.0	3751.0	+ 10.0	36,253
Dec96	3790.0	3790.0	3782.0	+ 9.0	779
Est. sales: 15,947. Prev. sales: 14,512					
Prev. open int.: 67,098 off 854					
CAC 40 (MATIF) FF200 per index point					
Jun 96	2110.0	2100.0	2103.0	+6.00	49,271
Jul 96	2107.0	2100.0	2101.5	+5.50	17,699
Aug 96	2118.0	2118.0	2109.0	+6.00	915
Sep 96	2121.0	2117.0	2117.0	+6.00	13,774
Dec 96	N.T.	N.T.	2138.5	+6.00	3,975
Mar 97	2162.0	2160.5	2161.0	+6.00	4,591
Sep 97	N.T.	N.T.	2147.0	+6.00	4,785
Mar 98	2207.0	2207.0	2207.0	+14.00	1,870
Est. volume: 12,767. Open int.: 96,880 off 1,089.					

Commodity Indexes

	Close	Previous
Moody's	1,523.50	1,540.80
Reuters	2,045.10	2,067.50
D.J. Futures	145.22	145.52
CRB	250.51	249.05

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Driefontein Consol	b	.2185	6-28	8-22
Kloof Gld Mining	b	.1265	6-28	8-22
Redwood Trust	-	.40	6-28	7-19
STOCK SPLIT				
Analytical Surveys 3 for 2 split.				
Grupo Ind Alfa approx 3.46 to 1 split.				
Sports Authority 3 for 2 split.				
REVERSE STOCK SPLIT				
Aurlex Inc 1 for 2.626504 reverse split.				
Mesa LP 1 for 4 reverse split.				
YEAREND				
Insituform East	A	.06	6-30	7-15
INCREASED				
Columbus Rlty T	Q	.395	6-28	7-15
TriMas Corp	Q	.06	7-19	8-5
SPECIAL				
Fst Savings Bncp	-	.10	6-30	7-19
Fst Sthwest Fin		10.00	6-21	6-27
INITIAL				
Helco Corp n	-	.04	7-12	7-29
Ohio Art n	-	.04	7-8	8-5
United Asset n	-	.16	6-28	7-15

Company	Per	Amt	Rec	Pay
OMITTED				
Washington Fd Bk discontinues policy of quarterly dividends; intends to pay annually.				
REGULAR				
Bk Sth Carolina	Q	.10	6-28	8-15
CCF Holding		.20	6-30	7-15
Evans Withy	Q	.39	6-28	7-10
Fst Savings Bncp	Q	.15	6-30	7-19
Frontier Corp	Q	.2125	7-15	8-1
Genovese Drug	Q	.06	7-2	7-9
Global HI IncoDllr	M	.106	6-24	6-28
Graco Inc	Q	.12	7-3	8-7
Hach Co	Q	.06	7-12	7-26
Hancock PPD II	M	.075	6-28	7-16
Haskel Intl A	Q	.07	6-24	7-3
Kimco Realty	Q	.39	7-1	7-15
Mackenzie Fin	g	.07	6-26	7-5
Meridian Pt VIII		.07	6-21	6-28
Pennichuck Co	Q	.26	8-1	8-15
Prud HI Yld Plus	M	.07	6-28	7-12
ROC Commun	Q	.405	6-30	7-15
Schering Plough	Q	.33	8-2	8-27
Second Bncp OH	Q	.22	7-15	7-31
Sorran Self	Q	.505	7-5	7-23
Strategic Glbinco	M	.095	6-24	6-28

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cld - called. d - new yearly low. e - dividend declared or paid in preceding 12 months. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. P/E - price-earnings ratio. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

Loss Report Rocks Lufthansa

Bloomberg Business News

FRANKFURT — Lufthansa AG said Monday that business so far in 1996 had been "unsatisfactory," with traffic and earnings falling short of its plan as it battled with overcapacity in the industry and price-cutting by competitors.

The airline was responding to a newspaper report that said the company faced an operating loss so far this year of 200 million Deutsche marks ($131.6 million). Lufthansa shares fell 4.5 percent on the day.

"Price-cutting and overcapacity, especially from state-subsidized European airlines, have led to more unfilled seats," Lufthansa said.

The company said it would give further details when it held its annual shareholders' meeting in Frankfurt on July 3.

Lufthansa shares fell as low as 223 DM in early trading and closed at 224.20, down 10.50. The decline came after the daily Süddeutsche Zeitung reported that the airline faced a "crisis" as air fares continued to plummet.

Analysts said the loss at the parent company was cause for concern, but not for panic.

"Lufthansa remains a buy," said Jürgen Trojan, an analyst at Independent Research in Frankfurt.

Lufthansa's shortage of passengers prompted top executives to hold emergency meetings recently to formulate a new budget and cut costs, the Süddeutsche Zeitung said. The crisis was prompted by discounts of 30 percent to 50 percent offered by competitors such as Air France and British Airways, the paper said.

Lufthansa's passenger load factor, a measure of how much of its seating capacity was being used, fell to 66.9 percent from 68.2 percent in the first quarter of 1995, while its freight load factor fell to 68.3 percent, Lufthansa said. But its average load factor from January through May fell to barely 64 percent, according to the Süddeutsche Zeitung.

Top Executive Quits At Deutsche Telekom

Agence France-Presse

BONN — Deutsche Telekom shocked the financial establishment Monday by announcing the departure of a top executive, the latest of several potential blows to a smooth flotation of the company's shares on the stock market this autumn.

The company said the president of its supervisory board, Rolf-Dieter Leister, would leave July 1.

The announcement came three days after Germany's Parliament withheld its approval of the plan to deregulate the telecommunications business in the country in January 1998, and it echoed the resignation 18 months ago of another leading executive amid complaints of meddling by the government.

Deutsche Telekom faces a July 1 deadline set by the European Union Commission to open its private networks to competition. This is a condition for an alliance between Deutsche Telekom and France Telecom known as Atlas that is linked with the American company Sprint Corp.

Deutsche Telekom, the third-largest telecommunications operator in the world and the biggest in Europe, expects to raise about 15 billion Deutsche marks ($9.83 billion) from privatization.

Mr. Leister's departure was announced at the annual meeting, scarcely five months before the scheduled flotation of the company, which employed 213,000 people at the end of 1995 and had annual sales of 66.1 billion DM.

"Mr. Leister will not stand for re-election at the head of the supervisory board: unfortunately, he will leave on July 1," the company said. It did not name a successor.

"The new supervisory board will be elected on July 1 at the annual meeting," it said.

In December 1994, the president of the executive board, Helmut Ricke, resigned for what the company described as personal reasons.

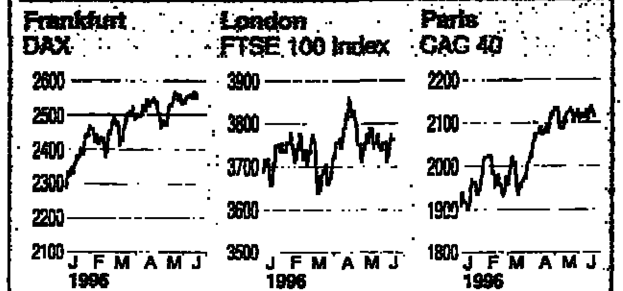
But sources close to Mr. Ricke said then that he was leaving because of what he termed interference by political authorities in the privatization process.

Mr. Ricke had been expected to be the main architect of the conversion of a great bureaucracy into a commercial operation.

His resignation caused considerable comment at the time, because it was seen as an unusual public clash between two branches of the German establishment.

The most recent disruption of the deregulation process occurred Friday when the upper house of the German Parliament, the Bundesrat, blocked a law removing Deutsche Telekom's service monopoly and demanded guarantees of telecommunications service for outlying areas of Germany. A compromise will be sought with the lower house, the Bundestag, on the matter.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	EOE	561.87	558.30	+0.50
Brussels	Stock Exchange	9,523.19	9,534.72	-0.12
Frankfurt	DAX	2,546.12	2,548.83	-0.11
Copenhagen	Stock Market	402.51	403.32	-0.20
Helsinki	HEX General	2,010.31	2,023.36	-0.64
Oslo	OBX	464.76	464.51	+0.05
London	FTSE 100	3,761.50	3,753.60	+0.21
Madrid	Stock Exchange	379.67	371.28	-0.16
Milan	MIBTEL	10,508.00	10,443.00	+0.62
Paris	CAC 40	2,113.94	2,111.78	+0.06
Stockholm	SX 16	2,084.44	2,085.75	-0.06
Vienna	ATX	1,104.84	1,120.73	-1.42
Zurich	SPI	2,333.47	2,330.50	+0.13

Source: Telekurs — International Herald Tribune

Bundesbank Isn't Sure of Upturn

The Associated Press

FRANKFURT — The Central Bank issued a gloomy economic report Monday, saying that Germany may not have reached the bottom of its slump and that its budget deficit would be significantly higher than the government had thought.

"It is still too early to make a final judgment about whether, economically, the trough has been passed," the Bundesbank said.

It noted recent improvements in manufacturing orders and low inflation but contrasted that with consumer caution about spending, high unemployment and uncertainty about the health of the production sector.

In its monthly report, the central bank said Germany's 1996 budget deficit would reach nearly 4 percent of gross domestic product, well above the 3 percent limit set for membership in the planned common European currency in 1999.

The government projected last week that its deficit — which reached 3.6 percent of GDP in 1995 — would decline to 3.5 percent this year and 2.5 percent by 1997, when countries will have to meet the economic criteria for membership in the common currency.

The central bank said low inflation was "a noticeable bright spot in an otherwise gloomy picture of the economic situation." It added that "wage developments pose few dangers over the course of the rest of the year for the high level of price stability that has been reached."

So far this year, German wage agreements have provided pay increases of 2 percent or less, contributing to the low rate of inflation; prices rose 0.2 percent from April to May and were up 1.7 percent from a year earlier.

The Bundesbank said high unemployment was Germany's "most pressing problem" and that uncertainty over the job market was making consumers cautious.

Tax cuts introduced at the beginning of the year — providing an additional 15 billion Deutsche marks ($9.83 billion) to private households — have not produced a hoped-for increase in consumer demand, the central bank said.

Very briefly:

• **IG Metall**, Germany's largest union, said Werner Schreiber, its treasurer, would resign after a report in the weekly magazine Der Spiegel said the union had lost about 130 million Deutsche marks ($85.1 million) in real-estate deals. The union said the decision showed Mr. Schreiber had assumed political responsibility "irrespective of whether he is personally to blame."

• **Volvo AB** will sell 46 million **Pharmacia & Upjohn Inc.** shares as the Swedish car company cuts its stake in Pharmacia to 4.7 percent from 13.7 percent, Pharmacia said in a filing with the U.S. Securities and Exchange Commission.

• **Club Mediterranée SA** Chairman Serge Trigano said the company was expecting higher sales in the year ending in October, excluding the impact of changes in group structure and exchange-rate fluctuations.

• Nearly 900 **Lloyd's of London** investors or Names issued a court writ against an underwriter whose alleged negligence in a case six years ago they say caused them £300 million ($461 million) of losses.

• **Compass Group PLC**, a British brewing concern, said it would buy the 33.34 percent of Eurest France SA it did not already own for 592.8 million French francs ($114.5 million) from Sodexho SA and Epargne Développement SA.

• **Mediaset SpA**, the television unit of **Fininvest SpA**, said it expected to raise between 660 billion and 1 trillion lire ($430 million to $645 million) in an initial public offering to be held July 2 to July 5.

• **Stora Kopparberg Bergslag AB** of Sweden said pulp prices, usually an early indication of economic growth or decline, would continue rising in the second half of 1996.

• **Italy's economy**, which last year registered the strongest growth in the industrialized world, is now close to recession because of a surging lira and a slowdown in other European economies, Finance Minister Vincenzo Visco said. "By comparison with two or three months ago, the situation has gotten worse, and we are almost in a recessionary phase," he said.

• **Filofax Group PLC** of Britain, which makes personal organizers, said profit for the year ended March 31 rose 33 percent, to £6.6 million, in a buoyant domestic market.

Bloomberg, Reuters, AFP, AFX, AP

British Steel Doubles Profit

Reuters

LONDON — British Steel PLC said Monday it had nearly doubled its full-year profit to a record of £1.1 billion ($1.69 billion) but warned that this year's figures could be hurt by weak European demand.

The company's pretax profit in the year ended March 31 was up 91 percent, from £578 million a year earlier. British Steel declared a final dividend of 10 pence a share, up 33 percent from 7.5 pence a share.

The company's record results, said Sir Brian Moffat, chairman and chief executive officer, came "despite a more difficult trading scene in the second half."

He said an easing of demand, which began in the first half of the last financial year, had been particularly evident in mainland Europe and resulted largely from excess steel supplies.

"There has since been a consequential general weakening of prices, although the destocking phase now appears to be close to its end," Sir Brian said.

"Inevitably, however, with the present weakness in market demand in Europe, and the accompanying impact on prices, profits for the current year will be adversely affected."

But Sir Brian said that despite lower prices and market weakness, the company still expected "a year of satisfactory performance."

The results were at the high end of analysts' expectations.

"The headline figure was at the top end of the forecast range, but I think people are a bit cautious over the statement after an initial mark up," one trader said.

Sainsbury Launches Loyalty Card

Bloomberg Business News

LONDON — J. Sainsbury PLC launched a card Monday that rewards customers for shopping at its stores, and the supermarket chain said it expected the move to improve sales by 3 percent annually.

The move follows similar launches by other big British supermarket companies, including Tesco PLC, which has said it was the extra sales produced by its card that allowed it to surpass Sainsbury as Britain's largest grocery chain.

The card allows Sainsbury customers to earn points that can be redeemed for products made by Sainsbury and its subsidiaries or for miles on British Airways. Customers can receive certificates valued at £2.50 ($3.85) or 40 air miles for every £250 spent.

"This card is not yet sufficiently novel to counter criticisms that it is nothing more than a 'me-too' card," an analyst at Merrill Lynch, Sara Carter, said in a note to investors. "The positive news is that Sainsbury now has a card — it has been disadvantaged to be without one in the last year or so."

Sainsbury estimated the cost of introducing the card at £10 million to £15 million, including systems to handle the cards, training of employees and advertising. The company said the system should increase sales by £300 million to £400 million and pay for itself.

Customers must spend a minimum of £5, accruing five points, in Sainsbury's gas stations or grocery stores. They will then receive one additional point for every additional £1 they spend. The reward vouchers can be exchanged for about 200,000 products at Sainsbury stores. Starting in September, reward vouchers will be given at checkout counters when the corresponding award level has been reached, Sainsbury said, to make the system more efficient and eliminates postal costs.

Sainsbury said a customer spending £60 a week at its stores could collect enough air miles to fly free from London to Paris once a year. Other awards available under the Air Miles program include cinema tickets, vacation discounts and tickets to amusement parks.

Ms. Carter said that, while the ability to turn Sainsbury points into air miles adds "a positive twist," its main competitor, Tesco, had already moved on from its comparable program. As of Monday, she said, Tesco customers could set up accounts administered by National Westminster Bank allowing them to charge their purchases, deposit and withdraw funds and earn interest.

WORLD STOCK MARKETS

Monday, June 17

Prices in local currencies.

Telekurs

Amsterdam

AEX index: 561.87 Previous: 558.30

	High	Low	Close	Prev.
ABN-AMRO	90.10	88.80	89.40	88.80
Aegon	80.30	78.60	79.70	79.60
Ahold	94.70	89.40	94.50	90.30
Akzo Nobel	204	201.40	202.90	202.90
Bols Wess cva	29.70	29.30	29.40	29.40
CSM cva	80.50	79.70	79.80	79.80
Dordtsche Pet	273.40	271.50	271.70	272.50
DSM	170.30	165	168	164.20
Elsevier	26.40	26.10	26.10	26.20
G-Broc cva	53.50	52.80	53	53
Hagemeyer	123.40	120.50	123	121.20
Heineken	388.50	384.50	386.50	385.50
Hoogovens	65.10	63.10	63.50	63.20
Hunt Douglas	117.40	116.50	117.50	117
ING Group	51.40	50.60	51.10	51
KLM	56.40	55.10	55.20	56.70
KNP BT	40.90	40.40	40.60	40.50
KPN	65.50	64.80	65.30	65
Nedlloyd Gp	41.20	39.80	41.20	40
Nutricia	177.60	174.80	176.80	175.10
Oce Grinten	169	166.50	167.50	169.50
Pakhoed	45.60	44.30	44.70	44.50
Philips Elec	59.10	58.70	58.80	58.90
Polygram	101.30	99.80	100.30	101
Randstad Hdg	126	121	123.50	124.90
Robeco	128	127.10	127.10	127.70
Rodamco	49.70	49.10	49.60	49.40
Rolinco	130.90	130.30	130.30	140
Rorento	96.30	96.10	96.10	96
Royal Dutch	260.20	259.20	259.70	259.50
Stork	48.90	47.80	48.30	48.70
Unilever cva	239.30	237.10	237.30	237
VNU	27.80	27.50	27.60	27.30
Wolters Kl cva	197.70	194.20	197	193.80

Bangkok

SET index: 1253.49 Previous: 1256.84

	High	Low	Close	Prev.
Adv Info Svc	418	416	418	418
Bangkok Bk F	350	350	350	350
Krung Thai Bk	120	117	117	118
PTT Explor	358	356	358	368
Siam Cement F	1300	1288	1288	1300
Telecomasia	52	51	51.50	51
Thai Airways	54.50	54	54	55
Thai Farm Bk F	272	270	270	274
Thai Telephn	56.50	55.50	56	56
Utd Comm	350	346	350	348

Bombay

Sensitive index: 4047.39 Previous: 4049.39

	High	Low	Close	Prev.
Assoc Cement	2695	2620	2592.25	2687.50
Grasim Ind	595	582	575.25	591.50
Hindalco Ind	1425	1325	1333.25	1329.75
Indust Lever	875	845	847	870
Indian Hotels	833.75	805	809.25	828
ITC	328	317	315.25	327.75
Larsen Toubro	301.25	292.50	292.50	301
Reliance Ind	245	243	243.50	244
Tata Eng Loco	537.75	530	528.50	533
Tata Iron St	264	255.50	255.50	262

Brussels

Stock Exchange index: 9523.19 Previous: 9534.72

	High	Low	Close	Prev.
Arbed	3840	3760	3780	3840
Barco Ind	4750	4695	4700	4765
BBL	5990	5930	5980	5950
Bekaert	26525	26325	26350	26425
CBR	2395	2350	2350	2395
CMB	2540	2520	2520	2510
Cockerill	159	157	158	158
Colruyt	10600	10550	10250	10550
Delhaize Lion	1545	1500	1540	1545
Electrabel	6840	6810	6830	6830
Electrafina	2940	2925	2935	2940
Fortis AG	4195	4130	4145	4200
GIB	1470	1460	1462	1460
GBL	4160	4110	4160	4130
Gen Banque	11300	11125	11225	11225
Glaverbel	3620	3600	3620	3650
Kredietbank	10100	9720	9990	9740
Mosane	2270	2260	2260	2260
Petrofina	9960	9800	9940	9840
Powerfin	4510	4475	4500	4580
Recticel	294	285	285	284
Royale Belge	6380	6250	6290	6250
Soc Gen Belg	2355	2335	2340	2330
Solvay	19625	19450	19550	19500
Tessenderlo	12800	12550	12600	12575
Tractebel	13200	13000	13175	13200
UCB	59200	58950	59000	59250
Union Miniere	2310	2275	2300	2295

Copenhagen

Stock index: 402.51 Previous: 403.32

	High	Low	Close	Prev.
Carlsberg B	326	321	322.52	330
Danisco	292.25	285	286	289
Den Danske Bk	374	367	371	368
D/S Svendbrg A	N.T.	N.T.	N.T.	187000
D/S 1912 A	130000	129500	130000	130000
East Asiatic Co	124	118	121	121
FLS Ind B	605	600	602	605
ISS Intl Svc B	135	129	134	132
Nvo Nordisk B	814	803	803	818
Radiometer B	389	380	386	386
Sophus Ber B	792	786	788	789
Tele Danmk B	292	287	287	290
Unidanmark A	269	264	268	267.27

Frankfurt

DAX: 2546.12 Previous: 2548.83

	High	Low	Close	Prev.
AMB	835	828	828	828
AEG	164	164	164	164
Allianz Hdg	2513	2506	2510	2487
Altana	1127.50	1107	1110	1142
Asko Deutsche	1108	1101	1108	1104
Badenwerk	530	530	530	540
BASF	425.70	422.80	424.50	426.30
Bayer Hypo Bk	36.30	36.01	36.01	36.15
Bay Vereinsbank	42	41.45	41.50	42.02
Bayer	53.40	52.30	52.30	53.08
Beiersdorf	417	415	415	419
BHF Bank	37.75	37.45	37.65	37.75
BMW	884	876	878	878.50
CKAG Colonia	1105	1100	1100	1100
Commerzbank	314.70	314.10	314.40	312.90
Daimler Benz	826.60	822	823.50	828
Degussa	529.50	525	525	520.30
Deutsche Bank	78.45	78.10	78.11	78.48
Dresdner Bank	38.30	38.07	38.30	38.04
Heidelbg Zmt	998	995	997	997.50
Henkel	642.50	638	639	663
Hochtief	685	680	684	674
Hoechst	52.25	52	52.10	51.85
Holzmann Ph.	480	472	472	484
Karstadt	601.50	595	595	599.50
Kaufhof Hdg	568	561	562	561.20
Linde	1005	996	997	993
Lufthansa ord	228	223.50	223.80	235
MAN	388	385	385.50	387.50
Mannesmann	536.50	531.50	536	540.50
Muench Rueck	2860	2840	2850	2835
Preussag	380.20	372	372.50	379.60
PWA	196	190.50	196	193
RWE	58.60	58.40	58.55	58.45
SAP pfd	220	215	219.80	218
Schering	112.45	112.05	112.85	112.45
Schmalb Lub	284.50	278	280	280
Siemens	83.42	83.05	83.11	83.31
Suedzucker	759	758	759	758
Thyssen	279.50	277	278.80	277
Veba	83.60	83.30	83.30	0.33
VEW	477	475	475	477
Viag	596	593.50	595	593.80
Volkswagen	562	553	553.50	561.75
Wella	886	880	886	888

Helsinki

HEX General index: 2010.31 Previous: 2023.36

	High	Low	Close	Prev.
Cultor 1	220	215	218	217
Enso R	35.80	35	35	35.40
Huhtamaki IF	155	155	155	155
Kesko	64.80	63	64	62.70
Kone BF	525	520	525	520
Merita A	9.95	9.85	9.90	9.99
Metra BF	215	211	215	216.50
Metsa-Serla B	32.60	32	32	32.40
Nokia Prf F	185	179.50	181	183.50
Outokumpu A	80	79	79.50	79.80
Rautaruukki	35	34.30	34.50	35
Stockmann A	N.T.	N.T.	N.T.	258
UPM-Kymme	91	90.40	91	91.50
Valmet A	75	74.40	74.60	74.90

Markets Closed

Stock markets in Hong Kong and Johannesburg were closed Monday for a holiday.

Jakarta

Composite index: 590.73 Previous: 592.36

	High	Low	Close	Prev.
Astra Intl	2725	2700	2700	2700
Bank Pacific	1800	1725	1725	1750
Gudang Garam	10150	9800	9800	9650
Indah Kiat	2175	2100	2125	2125
Indocement	8025	7850	8000	8050
Indofood	10475	10450	10475	10500
Indomobil	2225	2150	2225	2200
Indosat	7550	7425	7425	7550
Kalbe Farma	5400	5350	5350	5400
Sampoerna	27200	27000	27000	26800

Kuala Lumpur

Composite: 1124.81 Previous: 1125.48

	High	Low	Close	Prev.
Genting	20	19.90	19.90	19.90
Hicom Hldgs	7.25	7	7	7
Mal Banking	24.20	23.60	24.20	23.60
Mal Intl Ship F	7.60	7.55	7.60	7.55
Public Bank F	6.45	6.35	6.45	6.35
Resorts World	14	13.90	13.90	13.90
Sime Darby	6.70	6.65	6.65	6.65
Telekom Mal	22.70	22.60	22.70	22.80
Tenaga	10.60	10.50	10.60	10.70
Utd Engineers	17.10	16.90	17	17.10

London

FT-SE 100: 3761.50 Previous: 3753.60

	High	Low	Close	Prev.
Abbey Nat'l	5.51	5.41	5.50	5.50
Allied Domecq	4.74	4.65	4.71	4.71
Anglian Water	5.79	5.69	5.73	5.76
Argyll Group	3.55	3.46	3.47	3.51
Arjo Wiggins	1.89	1.82	1.86	1.82
Asda Group	1.22	1.19	1.20	1.21
Assoc Br Foods	3.82	3.76	3.80	3.78
BAA	4.73	4.59	4.73	4.62
Barclays	7.86	7.78	7.83	7.78
Bass	8.40	8.32	8.40	8.34
BAT Ind	5.17	5.08	5.17	5.10
Bank Scotland	2.49	2.45	2.45	2.47
BICC	3.30	3.25	3.26	3.24
Blue Circle	3.64	3.60	3.62	3.62
BOC Group	9.45	9.35	9.42	9.41
Boots	6.23	6.03	6.11	6.22
Bowater	3.51	3.43	3.45	3.49
BPB Ind	3.27	3.20	3.26	3.19
Brit Aerosp	9.98	9.81	9.89	9.88
Brit Airways	5.62	5.55	5.58	5.58
Brit Gas	1.93	1.87	1.90	1.92
Brit Petm	5.63	5.57	5.60	5.63
Brit Steel	1.85	1.76	1.77	1.78
Brit Telecom	3.75	3.68	3.74	3.70
BTR	2.65	2.56	2.63	2.65
Burmah Cast	10.42	10.35	10.38	10.40
Cable Wireless	4.23	4.08	4.11	4.17
Cadbury Schw	4.91	4.88	4.88	4.98
Caradon	2.37	2.32	2.33	2.33
Carlton Comm	5.35	5.18	5.29	5.16
Coats Viyella	1.83	1.80	1.83	1.80
Comm Union	5.85	5.78	5.78	5.84
Courtaulds	4.35	4.31	4.33	4.31
De La Rue	6.25	6.07	6.07	6.13
Eng China Cl	2.77	2.70	2.71	2.70
Enterprise Oil	4.65	4.58	4.59	4.61
Fam Colonial	1.55	1.45	1.54	1.54
Genl Accident	6.79	6.66	6.69	6.72
GEC	3.62	3.51	3.60	3.51
GKN	9.78	9.58	9.66	9.60
Glaxo	8.95	8.67	8.89	8.69
Granada Gp	8.50	8.40	8.44	8.44
Grand Met	4.25	4.18	4.19	4.26
GRE	2.64	2.59	2.59	2.61
Guinness	4.67	4.61	4.63	4.65
GUS	6.75	6.65	6.70	6.73
Hanson	1.84	1.81	1.81	1.83
Hillsdown Hdg	1.83	1.80	1.83	1.81
HSBC Hldgs	9.75	9.69	9.73	9.71
ICI	8.45	8.36	8.36	8.44
Inchcape	3.06	3	3.05	3.01
Kingfisher	6.83	6.32	6.39	6.42
Ladbroke	1.87	1.82	1.85	1.85
Land Sec	6.32	6.27	6.27	6.29
Laporte	7.12	7.05	7.09	7.05
Lasmo	1.78	1.74	1.75	1.75
Legal Genl Grp	6.83	6.75	6.78	6.80
Lloyds Abbey	5.08	5.01	5.07	5.05
Lloyds TSB Gp	3.12	3.07	3.08	3.11
London Elec	6.65	6.56	6.56	6.62
Lucas Ind	2.31	2.28	2.28	2.30
Marks Spencer	4.90	4.81	4.82	4.87
MEPC	4.05	4.02	4.05	4.02
Mercury Asset	9.87	9.55	9.57	9.60
Midlands Elec	4.41	4.18	4.18	4.20
Natl Power	5.32	5.23	5.24	5.33
NatWest	6.25	6.18	6.19	6.20
News Intl	3.97	3.96	3.97	3.92
Utd Utilities	5.47	5.43	5.45	5.43
Nthern Foods	2.01	1.92	1.95	1.99
P&O	5.09	5	5.09	5.08
Pearson	6.84	6.70	6.77	6.83
Pilkington	1.93	1.88	1.93	1.95
PowerGen	4.75	4.68	4.68	4.72
Prudential	4.20	4.15	4.17	4.20
Rank Org	5.34	5.16	5.23	5.20
Reckitt Colm	6.93	6.83	6.93	6.84
Redland	4	3.92	4	3.95
Reed Intl	11.07	10.98	11.01	11.05
Rentokil	4.17	4.13	4.15	4.14
Reuters Hldgs	7.84	7.75	7.80	7.80
RMC Group	10.25	10.05	10.20	10.11
Rolls Royce	2.28	2.26	2.26	2.28
Royal Bk Scot	5.18	5.11	5.12	5.16
RTZ reg	9.74	9.63	9.72	9.75
Royal Insur	4.16	4.12	4.14	4.14
Sainsbury	4.01	3.92	3.95	3.95
Schroders	13.48	13.22	13.37	13.45
Scot Newcastle	6.89	6.80	6.82	6.86
Scot Power	3.16	3.01	3.02	3.17
Sears	1.06	1.03	1.04	1.04
Severn Trent	5.77	5.65	5.72	5.90
Shell Trnp reg	9.30	9.25	9.30	9.26
Siebe	9.10	8.89	9.06	8.90
Smith Nephew	2.11	2.09	2.11	2.10
Smith (WH)	4.87	4.83	4.85	4.85
SmithKline	7.04	6.92	7.02	6.90
Smiths Ind	6.80	6.72	6.77	6.78
Sthern Elec	6.85	6.73	6.74	6.83
Stand Charter	6.58	6.50	6.57	6.61
Sun Alliance	3.90	3.85	3.88	3.86
Tate & Lyle	4.53	4.48	4.51	4.50
Tesco	3.07	3.03	3.07	3.09
Thames Water	5.62	5.53	5.62	5.58
Thorn EMI	18.37	18.15	18.15	18.37
3i Group	4.56	4.45	4.49	4.56
TI Group	5.47	5.35	5.43	5.38
Tomkins	2.52	2.46	2.50	2.50
Unilever	12.55	12.40	12.43	12.37
Utd Biscuits	2.22	2.18	2.19	2.19
Utd News	7.87	7.02	7.03	7
Vendome uts	6.22	6.18	6.20	6.18
Vodafone	2.48	2.43	2.47	2.44
Whitbread	7.47	7.41	7.44	7.46
Williams Hdgs	3.44	3.33	3.36	3.36
Wolseley	4.78	4.67	4.71	4.78
Zeneca	13.85	13.72	13.75	13.82

Madrid

Bolsa index: 379.67 Previous: 371.28

	High	Low	Close	Prev.
Acerinox	13770	13570	13630	13810
ACESA	1535	1500	1530	1535
Argentaria	5420	5380	5400	5410
BBV	4950	4910	4950	4930
Banesto	825	816	821	820
Bankinter	13500	13390	13500	13360
Bco Centro Hisp	2575	2555	2560	2575
Bco Exterior	3000	3000	3000	3000
Bco Popular	22950	22730	22950	22750
Bco Santander	6020	5920	5950	6000
CEPSA	4280	4245	4270	4290
Corp Mapfre	6340	6260	6340	6330
Dragados	1740	1725	1735	1740
Endesa	8250	8140	8180	8280
FECSA	988	979	985	986
Fomento Const	10680	10500	10550	10590
Gas Natural	24300	24000	24150	24150
Hidroel Cantab	4370	4320	4360	4370
Iberdrola	1315	1295	1310	1315
Pryca	3095	3060	3070	3080
Repsol	4570	4485	4545	4485
Sevillana Elec	1185	1140	1165	1185
Tabacalera	6530	6500	6510	6530
Telefonica	2440	2405	2405	2425
Union Fenosa	819	806	806	816
Valenc Cement	1555	1530	1555	1555

Manila

PSE index: 3170.56 Previous: 3166.32

	High	Low	Close	Prev.
Ayala A	27	26	27	26.50
Ayala Land	45	44.50	45	45
Manila Elec A	152	150	150	152
Metro Bank	770	715	750	735
Petron	10.50	10.25	10.50	10.25
Phil Long Dist	1550	1535	1545	1570
San Miguel A	46	45.50	46	45.50
San Miguel B	85	84.50	85	85
SM Prime Hdg	6.50	6.40	6.40	6.50

Mexico

Bolsa index: 3190.66 Previous: 3174.88

	High	Low	Close	Prev.
Alfa A	36.50	35.00	35.70	119.80
Cemex B	28.50	28.00	28.25	28.85
Cifra C	10.66	10.50	10.60	10.64
Empresas ICA	111.50	110.50	111.50	110.20
Emp Moderna	35.00	34.80	35.00	34.80
Femsa	21.10	20.70	20.90	21.10
Gpo Carso A1	53.20	52.30	52.80	52.50
Televisa CPO	117.80	115.10	117.50	114.00
TelMex L	12.94	12.62	12.90	12.66
Tribasa	22.80	22.50	22.80	22.50

Milan

MIB Telematico: 10508.00 Previous: 10442.00

	High	Low	Close	Prev.
Alleanza Assic	13700	13300	13680	13530
Bca Comm Ital	3190	3140	3185	3150
Bca Naz Agricol	905	855	900	910
Bca Naz Lavoro	10825	10720	10730	10825
Bca di Roma	1488	1414	1414	1437
Bca Ambrosian	4100	4040	4100	4065
Benetton	20900	20500	20650	20550
Credito Italiano	1868	1795	1855	1820
Fiat	5125	5075	5110	5110
Fondiaria	7760	7700	7745	7690
Generali Assic	36450	36100	36300	36050
IFIL	4745	4615	4650	4690
Italcementi	12380	12110	12300	12435
Italgas	5460	5420	5460	5450
Mediobanca	10200	10105	10150	10150
Montedison	949	934	949	935
Olivetti	920	903	908	910
Pirelli	2570	2525	2570	2560
RAS	16400	16050	16400	16200
Rinascente	10830	10650	10790	10850
S Paolo Torino	10080	9860	9925	10005
SME	1733	1690	1733	1739
Snia	15600	15600	15600	15500
Stet	5375	5255	5360	5270
Telecom Italia	3190	3125	3180	3130
Toro Assic	20300	19550	19600	19600

Montreal

Industrials index: 2448.77 Previous: 2432.07

	High	Low	Close	Prev.
Alcan 1	18.85	18.65	18.85	18.90
Bank Montreal	32.30	32	32¼	31.95
Bce Mob Com	45.30	45.30	45.30	45½
Cdn Tire A	18.20	18.05	18.20	18.10
Cdn Util A	26.70	26.65	26.70	26.65
Cascades	5¾	5.65	5.65	5.70
CT Finl Svc	26.10	26	26	26
Extendicare	N.T.	N.T.	N.T.	17
Gaz Metro	15.30	15.05	15.15	15.35
Gt-West Lifeco	33	33	33	32¾
Hees Intl Bcp	15.95	15.80	15.95	15.90
Hudsons Bay	19.60	19¼	19.60	19.10
Imasco	27	26	27	26¾
Investors Grp	N.T.	N.T.	N.T.	17½
Loblaw Cos	10.60	10.60	10.60	10.60
Molson A	22.90	22.85	22.85	23
Natl Bk Canada	11.55	11½	11.55	11.45
Oshawa A	22	21.90	21.95	22.15
Pancdn Petlm	N.T.	N.T.	N.T.	53½
Power Corp	22.10	21.80	21.85	22.10
Power Finl	37.85	37¼	37.85	37.80
Quebecor B	22	21.80	21.80	22
Rogers Comm B	13½	13½	13½	13.60
Royal Bk Cda	32.35	32	32.15	32.05
Sears Canada	7.55	7.40	7½	7½
Shell Cda A	47.70	47.30	47.30	47.15
Southam	15.85	15¼	15¼	15.90
Stelco A	6.15	6	6.15	6.05
Trilon Finl A	5.40	5.35	5.40	5.30

Oslo

OBX index: 464.76 Previous: 464.51

	High	Low	Close	Prev.
Aker A	127	125.50	127	126.50
Bergesen Dy B	128.50	125.50	128	125
Christiania Bk	15.60	15.50	15.50	15.50
Den norske Bk	20.50	20.30	20.50	20.50
SAS Norge ASA	74	71	73	73.50
Dyno Indust	147.50	146	147.50	146.50
Elkem	85	83.50	84	84
Hafslund A	50.50	50	50	51
Kvaerner	268	267	268	267
Leif Hoegh	106.50	105	106.50	105
Norsk Hydro	316.50	314	315	314
Norske Skog A	204	200	202	199.50
Orkla	347	344	344	346
Rieber B	N.T.	N.T.	N.T.	147
Saga Petm B	89	88	89	88
Schibsted	87	86.50	87	87
UniStorebr A	30.70	30.40	30.50	30.50

Paris

CAC-40: 2113.94 Previous: 2111.78

	High	Low	Close	Prev.
Accor	727	720	727	723
AGF	139.80	138.80	138.80	139.70
Air Liquide	897	891	895	895
Alcatel Alsth	461.30	454.60	455.70	460
Axa	291.60	289.20	289.20	288.80
Bancaire	583	574	576	575
BNP	185.90	184.10	185	185.10
Bouygues	572	567	570	569
Canal Plus	1200	1191	1194	1186
Carrefour	2862	2836	2846	2830
CCF	243	237.30	237.60	241
Credit Local cl	429.50	422.10	424.10	435
Credit Lyon PC	106.90	100	103.50	98.60
Crown Cork Seal	240	240	240	243
Danone	778	772	773	775
Elf-Aquitaine	387	384.50	384.90	384.70
Eridania BS	826	815	821	814
Euro Disney	14.70	14.55	14.55	14.70
Eurotunnel uts	8.20	7.90	8.20	8.05
Gen. Eaux	559	552	554	554
Havas	419.90	415	416.10	418
Lafarge Cop	339.70	333.60	338.70	339.50
Legrand	930	920	924	923
L'Oreal	1638	1625	1634	1614
LVMH	1273	1263	1266	1253
Lyon. Eaux	502	498	499	499.50
Michelin B	258.50	255.10	257	258.90
Moulinex	760	760	760	756
Paribas A	307.80	304.10	304.50	303.80
Pechiney SA	221	218.50	219.40	221.90
Pernod Ricard	334.80	329.10	334	328.70
Peugeot Cit	719	713	714	714
Pinault-Print	1669	1654	1663	1668
Promodes	1405	1376	1382	1397
Renault	135	132	132	136.60
Rh-Poulenc A	136.70	132.70	136.30	133.70
Roussel-Uclaf	1195	1171	1186	1175
Sanofi	392	388	388	387.50
Schneider	242.80	240.60	241.20	240.70
Ste Generale	559	550	552	557
St Gobain	685	674	683	673
St Louis	1417	1401	1401	1395
Suez	205	201	202	206.80
Thomson CSF	138	135.40	136	136
Total B	373.50	370.10	372.50	372.30
UAP	103.90	103	103.50	103.20
Valeo	287.30	275.20	280.80	283.50

São Paulo

Bovespa index: 57182.70 Previous: 56348.60

	High	Low	Close	Prev.
Bco Brasil Pfd	8.80	8.52	8.65	8.60
Banespa Pfd	3.80	3.70	3.73	3.70
Bradesco Pfd	8.10	7.85	8.00	7.85
Brahma Pfd	621.53	614.99	621.00	612.00
Cemig Pfd	27.50	26.70	27.41	26.51
CESP Pfd	28.01	26.50	27.80	26.00
Eletrobras B	271.00	257.00	267.00	255.00
Itaubanco Pfd	395.00	390.00	395.00	383.00
Light	290.00	286.00	289.99	285.00
Paranapan Pfd	8.65	8.42	8.42	8.65
Petrobras Pfd	125.50	123.50	123.50	124.00
Sid Nacional	25.60	25.10	25.10	25.40
Souza Cruz	7.10	7.05	7.10	7.05
Telebras Pfd	64.30	63.40	63.85	63.20
Telesp Pfd	202.00	198.00	200.00	196.50
Usiminas Pfd	1.10	1.08	1.09	1.08
CVRD Pfd	19.46	19.00	19.10	19.20

Seoul

Composite index: 856.43 Previous: 862.53

	High	Low	Close	Prev.
Daewoo Heavy	7120	7000	7030	7120
Hyundai Eng	36400	35500	35800	36200
Hyundai Motor	32600	31600	31600	32300
Korea El Pwr	29000	28200	28300	28800
Korea Mob Tel	645000	621000	636000	628000
LG Electronics	21000	20400	20400	20800
Pohang Iron St	52500	51100	51300	51900
Samsung Elec	72900	70200	71900	72000
Samsung Hvy	13100	12700	12800	12900
Yukong	25800	25100	25200	25600

Singapore

Straits Times: 2272.27 Previous: 2270.93

	High	Low	Close	Prev.
Cerebos Pac	12.80	12.30	12.50	12.10
City Devts	11.20	10.90	10.90	11.30
Cycle Carriage	14.40	13.90	13.90	14.40
Dairy Farm Int *	0.81	0.80	0.80	0.81
DBS	9.50	9.35	9.35	9.50
DBS Land	4.96	4.88	4.92	4.98
Fraser & Neave	15.30	14.90	15	15.20
HK Land *	2.30	2.23	2.24	2.25
Hong Leong Fin	3.90	3.90	3.90	3.90
Jard Matheson *	7.15	7.10	7.10	7.15
Jard Strategic *	5.05	4.98	5.05	4.98
Keppel	11.60	11.50	11.50	11.50
Natsteel	2.70	2.67	2.69	2.68
Neptune Orient	1.42	1.41	1.42	1.42
OCBC foreign	17.40	17	17	17.40
O'Sea Union Bk	6.65	6.65	6.65	6.65
Sembawang	7	6.95	7	6.95
Sing Airlines F	14.50	14.30	14.40	14.10
Sing Petm	1.72	1.71	1.71	1.71
Sing Press F	26.10	25.80	26	26.10
ST Auto F	2.79	2.78	2.78	2.88
ST Ship	2.41	2.41	2.41	2.41
Sing Telecomm	3.88	3.72	3.84	3.74
Straits Steam	4.54	4.46	4.52	4.54
Utd Industrial	1.40	1.39	1.40	1.40
Utd O'Sea Bk F	13	12.70	12.70	13
Wing Tai Hdgs	3.12	3.08	3.08	3.10

*: In U.S. dollars.

Stockholm

SX 16 index: 2084.44 Previous: 2085.75

	High	Low	Close	Prev.
AGA BF	117.50	112	112	117.50
ABB AF	703	696	700	695
AssiDoman F	153.50	152	152.50	153.50
Astra AF	295	288.50	289	293
Atlas Copco AF	125.50	124.50	125.50	125
Avesta F	67	64.50	65	66
Electrolux BF	347	344	344	346
Ericsson BF	151.50	148.50	150.50	149
Hennes BF	520	512	514	513
Incentive AF	358	355	357	356
Investor BF	238	235	236	238
Kinnevik BF	200	197	199.50	198.50
MoDo BF	170	168	168.50	169
Sandvik BF	152	151	151.50	152
SCA BF	137	136	136.50	137
S-E Banken AF	54	53.50	53.50	53.50
Skandia Fors F	182	180	181	181.50
Skanska BF	225	222.50	224	225
SKF BF	154.50	153	154	154.50
SSAB BF	85.50	83	83	85
Stora AF	88	85.50	87	86.50
Sv Handles AF	136	134.50	135.50	136
Sydkraft AF	146	146	146	147
Trelleborg BF	84	82	84	83
Volvo BF	151.50	148.50	151.50	150.50

Sydney

All Ordinaries: 2207.50 Previous: 2216.20

	High	Low	Close	Prev.
Amcor	8.52	8.47	8.48	8.52
ANZ Bkng	5.70	5.61	5.64	5.62
BHP	18.57	18.28	18.32	18.65
Boral	3.34	3.29	3.29	3.34
Brambles Ind.	17.35	17.11	17.23	17.20
Burns Philp	2.35	2.33	2.34	2.34
CBA	10.40	10.22	10.35	10.25
CC Amatil	13.85	13.75	13.75	13.80
Coles Myer	4.62	4.58	4.61	4.60
Comalco	7.05	7	7.05	7.05
CRA Ltd	19.77	19.55	19.55	19.80
CSR	4.60	4.58	4.59	4.60
Fosters Brew	2.21	2.19	2.19	2.22
GIO Australia	3.01	2.99	3	2.99
Goodman Fld	1.32	1.30	1.31	1.30
ICI Australia	10.85	10.80	10.80	10.80
John Fairfax	2.68	2.65	2.65	2.69
Lend Lease	19.35	19.25	19.25	19.35
Mayne Nickless	7.20	7.15	7.18	7.20
MIM Hdgs	1.67	1.61	1.63	1.70
Nat Aust Bank	11.28	11.12	11.28	11.15
News Corp	7.03	6.93	7.01	6.96
North Ltd	3.59	3.56	3.56	3.61
Pacific Dunlop	2.71	2.70	2.70	2.70
Pioneer Intl	3.67	3.65	3.66	3.65
Placer Pacific	1.82	1.73	1.74	1.83
Santos	4.26	4.20	4.20	4.27
Southcorp	3.18	3.13	3.16	3.17
Wesfarmers	7.30	7.27	7.27	7.29
Wstrn Mining	8.96	8.80	8.87	8.96
Westfield Trt	2.20	2.18	2.20	2.20
Westpac Bkng	5.43	5.38	5.41	5.43
Woodside Pet	7.29	7.26	7.27	7.27
Woolworths	3.01	2.98	3.01	2.99

Taipei

Stock Market index: 6422.11 Previous: 6314.74

	High	Low	Close	Prev.
Asia Cement	51.50	49	51.50	52.50
Cathay Life Ins	193	190	193	187
Chang Hwa Bk	162	158	159	157
China Steel	30.50	29.80	30.20	30.10
China Trust	55.50	53.50	54.50	52.50
Evergreen	52.50	50.50	51.50	50
Far East Text	32.50	31.30	32.10	31.20
First Bank	162	158	159	157
Formosa CF	34.10	33	33.30	33.80
Hua Nan Bk	151	147	148.50	145.50
Hualon Teijran	24.60	23.90	24.20	23.90
ICBC	94	91.50	93.50	90.50
President Ent	45.20	42.80	44.20	42.60
Taiwan Cent	62	58.50	62	58.50
Tatung	57.50	56	57	56

Tokyo

Nikkei 225: 22245.38 Previous: 22289.37

	High	Low	Close	Prev.
Ajinomoto	1320	1300	1300	1310
All Nippon Air	1190	1150	1150	1150
Asahi Bank	1310	1280	1280	1280
Asahi Chem	805	795	795	796
Asahi Glass	1330	1300	1300	1320
Bk Tokyo Mitsu	2530	2520	2520	2530
Bk Yokohama	960	945	960	945
Bridgestone	1990	1940	1950	1970
Canon	2300	2250	2250	2250
Chiba Bank	949	937	937	946
Chubu Elec	2480	2450	2460	2450
Chugoku Elec	2450	2410	2410	2440
Daiei	1300	1280	1280	1290
Daiichi Kang	2020	1990	2000	2010
Daiwa Bank	768	760	760	767
Daiwa House	1690	1670	1670	1670
Daiwa Sec	1490	1470	1490	1480
Fanuc	4380	4270	4270	4340
Fuji Bank	2400	2330	2350	2370
Fuji Photo	3390	3350	3350	3360
Fujitsu	1030	1010	1010	1020
Hitachi	1080	1050	1050	1070
Honda Motor	2830	2750	2770	2730
IBJ	2770	2700	2700	2750
IHI	514	503	503	503
Itochu	765	746	752	764
Ito-Yokado	6340	6250	6250	6350
JAL	894	880	880	889
Jusco	3400	3340	3370	3420
Kajima	1110	1070	1070	1080
Kansai Elec	2470	2450	2450	2460
Kao	1480	1460	1470	1490
Kawa Steel	390	385	385	387
KDD	10200	10000	10200	10200
Kinki Nipp Ry	796	793	793	793
Kirin Brewery	1330	1290	1300	1300
Kobe Steel	308	302	302	303
Komatsu	1080	1050	1050	1060
Kubota	726	721	721	721
Kyocera	7830	7700	7700	7800
Kyushu Elec	2580	2530	2540	2580
LTCB	882	850	865	876
Marubeni	606	596	599	604
Marui	2300	2260	2270	2310
Matsu Elec Ind	1980	1940	1950	1950
Matsu Elec Wk	1180	1170	1170	1170
Mitsubishi	1480	1460	1460	1460
Mitsubishi Ch	522	515	515	514
Mitsubishi El	792	762	762	787
Mitsubishi Est	1530	1510	1510	1500
Mitsubishi Hvy	965	947	948	950
Mitsubishi Mat	962	955	955	950
Mitsubishi Tr	1870	1830	1830	1850
Mitsui	985	970	971	984
Mitsui Fudosn	1420	1390	1390	1390
Mitsui Trust	1240	1220	1230	1220
Murata Mfg	4300	4180	4180	4340
NEC	1250	1220	1220	1230
New Oji Paper	953	936	948	935
Nikko Sec	1230	1210	1210	1220
Nintendo	8440	8300	8420	8200
Nipp Credit Bk	400	397	400	400
Nipp Express	1090	1070	1070	1070
Nippon Oil	761	746	754	758
Nippon Paper	692	684	686	684
Nippon Steel	366	358	358	362
Nippon Yusen	648	642	645	643
Nippondenso	2390	2360	2370	2360
Nissan Motor	935	919	930	915
NKK	327	319	319	324
Nomura Sec	2200	2180	2180	2200
NTT	8230a	8060a	8060a	8150a
Obayashi	1030	1000	1010	1020
Odakyu El Ry	743	713	713	731
Ono Pharm	3800	3750	3770	3800
Osaka Gas	398	395	395	394
Ricoh	1180	1160	1180	1160
Sakura Bk	1230	1210	1210	1210
Sankyo	2770	2730	2740	2730
Sanwa Bank	2150	2110	2110	2140
Sanyo Elec	666	655	659	658
Secom	7090	7020	7020	7060
Seibu Rwy	5980	5860	5860	5960
Sekisui House	1280	1260	1260	1260
Seven-Eleven	6910	6860	6870	6840
Sharp	1880	1850	1860	1850
Shimizu	1260	1190	1200	1240
Shin-etsu Ch	2230	2190	2190	2220
Shizuoka Bk	1410	1390	1410	1400
Sony	7160	7080	7100	7130
Sumitomo	1010	1010	1010	1210
Sumitomo Bk	2080	2060	2060	2090
Sumit Chem	543	523	526	540
Sumitomo Elec	1550	1520	1530	1540
Sumit Metal	330	322	322	323
Sumit Trust	1540	1510	1510	1540
Taisei	820	805	805	811
Taisho Pharm	2440	2410	2430	2420
Takeda Chem	1940	1900	1900	1940
TDK	6540	6450	6450	6540
Tohoku El Pwr	2460	2430	2430	2450
Tokai Bank	1420	1390	1410	1380
Tokio Marine	1430	1410	1410	1420
Tokyo El Pwr	2770	2730	2730	2760
Tokyo Gas	402	396	396	397
Tokyu	850	826	828	847
Tonen	1610	1590	1590	1600
Toppan Print	1590	1530	1530	1580
Toray Ind	790	774	784	770
Toshiba	794	775	775	789
Toyo Seikan	3740	3660	3660	3800
Toyo Trust	1130	1100	1100	1110
Toyota Motor	2630	2590	2590	2590
Yamaichi Sec	790	781	785	791
Yamanouchi	2420	2390	2400	2390
Yasuda Fire	815	800	800	811
Yasuda Trust	677	663	667	676

a: x 100

Toronto

TSE Industrials: 5042.36 Previous: 5038.19

	High	Low	Close	Prev.
Abitibi Price	18.80	18.40	18¾	18½
Air Canada	4.93	4.90	4.91	4.90
Alberta Energy	25.15	24.85	25.10	25
Alcan Alum	41.90	41.65	41.65	41.80
Avenor A	22¼	22.15	22¼	22.15
Bk Nova Scotia	32¼	31.60	32.15	31¾
Barrick Gold	39.30	38.55	38.65	38¾
BCE	53.10	52.65	53.10	52.80
BC Telecomm	26.30	26.10	26.15	26.20
Bombardier B	20	19.65	20	19.90
Brascan A	25¼	25½	25.65	25.70
Cameco	63.70	62.35	63½	62.45
CIBC	45.10	44.70	44.95	44¾
Cdn Airlines	3.15	3	3.01	3.05
Cdn Nat Res	25¼	25	25	24.80
Cdn Occid Pet	23.30	22.85	23.30	23.20
Cdn Pacific	29.10	28.60	29	28.85
Cominco	30	29½	30	30
Consumers Gas	21	21	21	21
Dofasco	19.70	19.40	19.55	19.70
Domtar Ind B	9.80	9.80	9.80	9.80
Du Pont Cda A	29½	29½	29½	29¾
Echo Bay Mln	15.45	15	15	15.30
Empire Co. A	12½	12½	12½	12½
Falconbridge	29¾	29½	29½	29¾
Fletcher Chall A	18.35	17.95	18.35	18
Franco Nevada	84.60	83½	84.60	84
Guardian Cap A	N.T.	N.T.	N.T.	9
Hemlo Gold	15.55	15.15	15.30	15.30
Horsham	19.45	19.35	19.35	19.35
Imperial Oil	55½	55.15	55¼	55.45
Inco	43½	43	43.10	43.30
IPL Energy	34½	33.80	34	34.10
Laidlaw A	13½	13½	13½	13.70
Laidlaw B	13.45	13¼	13.55	13.40
Loewen Group	41.15	39¾	40.80	39.40
Ldn Insur Gp	28½	28½	28½	28½
Macmill Bloe	17.40	17.20	17.40	17.40
Magna Intl A	65.10	64.90	65	65.20
Maple Leaf Fds	7.40	7.30	7.35	7.40
Moore	25.20	25	25.10	25
Newbridge Net	86½	84¾	85.90	83
Noranda Inc	27.90	27.30	27.90	27.40
Noranda Forest	9.20	9	9.15	9
Norcen Energy	22.10	22	22	22
Nthern Telecom	74	72.10	73¼	71.90
Nova	12.55	12.35	12.40	12½
Onex	13.80	13.30	13.40	13.80
Placer Dome	34.60	33.80	34	34.20
Potash Sask	85.20	84.60	84.60	85
Provigo	7¼	7¼	7¼	7.45
Quebecor Print	23.35	23.35	23.35	23¾
Renaissance	34.65	34.30	34½	34.80
Rio Algom	26.30	26	26	26
Seagram Co	46.55	45.90	46¼	46
Stone Consold	16.80	16½	16½	16.90
Talisman Eny	32.35	32.10	32.20	32.45
Teleglobe	21¼	21	21	21.20
Telus	18¼	18.15	18¼	18.15
Thomson	21.85	21.60	21¾	21.80
TorDom Bank	24.60	24.20	24.60	24¾
Transalta	14½	14.30	14.45	14.40
TransCda Pipe	20.15	19.95	20.05	20.05
Utd Dominion	30	29.85	29.85	29.90
Westburn	10.15	10.10	10.10	10.15
Westcoast Eny	20.55	20.40	20.45	20.45
Weston	47¼	47	47¼	47

Vienna

ATX index: 1104.84 Previous: 1120.73

	High	Low	Close	Prev.
Aust Airlines	1850	1850	1900	1900
Brau-Un Goess	687	685	687	686
Bund Vers Pfd	398	398	490	490
Creditanst PC	1480	1400	1490	1490
EA-Generali	3250	3200	3200	3250
EVN	1497	1477	1487	1500
Interunfall	1570	1570	1600	1600
Lenzing	720	718	720	720
Leykam	317	314	314	316
Mayr-Melnhof	485	475	476	485
OMV	1092	1083	1084	1092
Oest Brau	632	625	632	632
Oest Elektriz	813	810	812	827
VA Tech	1329	1326	1326	1329
Wienerberger	2230	2220	2225	2240

Wellington

NZSE-40 index: 2072.17 Previous: 2057.80

	High	Low	Close	Prev.
Air N Zeald B	3.24	3.20	3.21	3.22
Brierley Invt	1.33	1.31	1.33	1.32
Carter Holt ord	3.52	3.44	3.51	3.45
Fernz	4.32	4.30	4.32	4.35
Fisher Paykel	4.40	4.40	4.40	4.42
FC Forest	1.83	1.81	1.82	1.82
Goodman Fder	1.53	1.52	1.53	1.53
Indep News	5.00	4.95	4.95	5.00
Lion Nathan	3.72	3.70	3.71	3.70
Nat Gas nore	1.90	1.88	1.90	1.88
NZ Refining	26.00	25.90	26.00	25.90
Telecom NZ	6.00	5.90	6.00	5.90
Trust Bk NZ	2.20	2.20	2.20	2.20
Wilson Horton	9.45	9.43	9.43	9.45

Zurich

SPI index: 2333.47 Previous: 2330.50

	High	Low	Close	Prev.
Adia B	313	308	308	312
Alusuisse R	1029	1018	1018	1024
Ares-Serono B	994	975	990	975
Baer Hdg B	N.T.	N.T.	N.T.	1840
Baloise Hdg R	2660	2640	2655	2650
ABB B	1532	1527	1532	1519
BK Vision	1460	1448	1448	1455
Bobst B	1780	1750	1760	1750
Ciba Geigy R	1429	1413	1427	1416
CS Holdings R	112	111	111	111.75
Elektrowatt B	444	432	444	436
Fischer B	1440	1425	1435	1435
Hilti PC	928	920	925	920
Holderbank B	955	951	951	958
Merkur Hdg R	268	262	263	269
Nestle R	1397	1386	1392	1395
Oerlikon R	130	128	130	130
Pargesa Hld B	1470	1470	1445	1445
PharmVisn B	5770	5750	5765	5790
Pirelli B	168	168	168	166
Roche Hdg PC	9430	9400	9405	9410
Sandoz R	1340	1328	1340	1334
SBC R	243	241	241	242.50
Schindler B	1310	1301	1301	1305
SGS B	2950	2895	2895	2900
SMH B	885	880	885	875
Sulzer R	815	802	813	797
Swiss Reins R	1227	1217	1218	1229
Swissair R	1260	1250	1250	1265
UBS B	1207	1190	1204	1198
Winterthur B	731	725	731	728
Zurich Assur R	338	335	336	337

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ASIA/PACIFIC

Police Raid Jusen And 2 Borrowers

Compiled by Our Staff From Dispatches

TOKYO — In the first operation of its type, Japanese authorities Monday raided one of the failed housing loan companies known as jusen and two of its borrowers on suspicion of breach of trust involving questionable loans.

The raid on Japan Housing Loan, set up by Industrial Bank of Japan Ltd. in 1976, was the first police action against any of the seven jusen that the government is trying to liquidate under a 685 billion yen ($6.3 billion) plan to clear up bad loans in the housing sector.

Japanese television showed police and public prosecutors searching about 30 locations in the Tokyo area and nearby Gunma prefecture.

The searches also involved several locations linked with the Tokyo-based real-estate developer Collins KK and the golf-course developer Takamine Resort Development Co., based in the Gunma town of Shimonita. Japan Housing Loan is suspected of having lent 4 billion yen to Collins and 1.9 billion yen to Takamine Resort without sufficient collateral, Jiji Press and other reports said. Investigators suspect Japan Housing extended the loans knowing it would be unable to collect on them, according to investigative sources.

A former loan development official at Japan Housing, who handled the Collins loans, allegedly received 180 million yen from a Collins affiliate, prompting investigators to speculate that the official got the money as a rebate.

With 1.67 trillion yen in bad loans at the end of June 1995, Japan Housing Loan had the biggest portfolio of nonperforming debts of all the seven jusen, according to Finance Ministry data. The government plan to liquidate the seven jusen, using taxpayers' money, met strong objection from the public and from opposition parties, which boycotted Parliament for three weeks this spring before it finally passed the legislation in May.

Six related bills, including one mobilizing the 685 billion yen needed to liquidate the companies, were approved by a committee in the upper house of the Diet on Monday and were expected to be approved by the full house Tuesday, the final step in enacting them into law.

The government has sought to lessen public criticism of the plan by trying to get the financial institutions that founded the jusen to pay more of the costs of liquidating them.

"The government will do its utmost to seek extra contributions from founder banks so that the planned financial burden on the public can be reduced," Finance Minister Wataru Kubo said Monday.

In a related development, police arrested the former president of a Tokyo-based realtor, Emuza Corp., for allegedly faking tax documents to borrow 2 billion yen from another jusen, Housing Loan Service Co.

Tokyo prosecutors meanwhile charged Yoshinosuke Sasaki, the president of major jusen borrower Togensha Corp., with forging a land contract to block an auction of a property held by his company.

(AFP, Reuters, Knight-Ridder)

Indonesia's Stock-Issue Boom

Spate of New Offerings Precedes State Sales

Bloomberg Business News

JAKARTA — The Indonesian stock market is bracing for an eruption of at least nine new stock offerings in the next two months, from palm oil plantations to department stores to a salt maker.

These sales, the first of the year, could bring in more than $1 billion and whet investors' appetite for a large number of sales of state-owned companies' shares planned for the next two years. The outlook is good now that the market has rebounded from the troubled debut of PT Telkom in November.

Telkom had to trim one of Asia's largest initial public offerings by a third, to $1.6 billion, when there were not enough takers for the full offering.

In the first quarter, though, the Jakarta Composite Index surged 14 percent as foreign fund managers bought millions of dollars worth of stocks. That outpaced the 9 percent gain for all of 1995.

"When the market starts to run, you get everyone and their brother running out with an IPO," said Jonathan Harris, director of research at the HG Asia Indonesia brokerage.

The slate of new stocks is expected to expand the value of all stocks traded on the market by about 2 percent, to $81 billion — about the same as last year's growth pace. The difference this year is that all the sales will be jammed into the second half of the year.

But that shouldn't be a problem, investors say.

"It's still within a reasonable level that can be absorbed by the market," said Lee Geok Eng, a portfolio manager at Yamaichi Capital Management (Singapore) Pte., which manages about $800 million of Asian stocks.

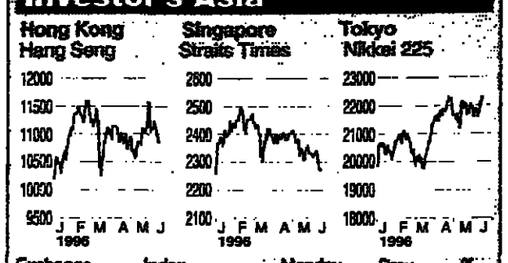
None of the new issues will dominate, with most offerings at around $100 million. There are no obvious losers either, although with the crush of sales, in a few months investors can expect some bargains.

"The environment will be competitive, and therefore pricing will probably be more attractive for investors," said Vivek Gandhi, an investment manager at Abtrust Fund Managers (Singapore) Ltd., which has $85 million of Indonesian stocks.

Most of these newcomers to the stock market are raising money for expansion in Indonesia. With more than 185 million people, Indonesia is the fourth-largest country in the world.

Its gross domestic product is zooming, having grown about 8 percent last year, and tapping the equity markets is crucial for Indonesian companies, with domestic borrowing rates stuck near 20 percent.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	10,885.00	
Singapore	Straits Times	2,272.27	2,270.93	+0.06
Sydney	All Ordinaries	2,287.59	2,216.20	-0.39
Tokyo	Nikkei 225	22,245.38	22,289.39	-0.20
Kuala Lumpur	Composite	1,124.61	1,125.48	-0.08
Bangkok	SET	1,253.49	1,256.04	-0.20
Seoul	Composite Index	856.43	859.49	-0.36
Taipei	Stock Market Index	6,423.11	6,412.40	+0.17
Manila	PSE	3,178.56	3,166.32	+0.13
Jakarta	Composite Index	590.73	592.36	-0.28
Wellington	NZSE-40	2,072.17	2,057.90	+0.69
Bombay	Sensitive Index	4,067.29	4,049.39	+0.44

Source: Telekurs International Herald Tribune

Foreign Chip Firms Gain in Japan Market

Compiled by Our Staff From Dispatches

WASHINGTON — Foreign semiconductor manufacturers secured 30.6 percent of Japan's computer-chip market in the latest quarter, an increase of one percentage point from the previous quarter, U.S. trade officials said.

The market share rose as Tokyo continued to argue that there was no need to renew a U.S.-Japanese agreement on opening Japan's market because Japan's computer chip market was now fully open to foreign competition. Officials from the two countries are meeting to discuss renewing the U.S.-Japan semiconductor agreement, which is set to expire July 31.

The negotiations began in Tokyo on Monday and will continue in Washington later in the week.

Foreign computer chip makers' market share in Japan is still well below that in other industrialized nations, including the United States, said Charlene Barshefsky, the acting U.S. trade representative. The U.S.-Japan agreement was signed in 1985 and renewed in 1991 with a focus on numerical targets and guaranteed market share.

Japan has resisted U.S. calls to renew the agreement for two more years, saying it was unnecessary because the foreign share of its computer chip market had remained above the 20 percent target set by the agreement for several years.

(Bloomberg, Knight-Ridder)

Very briefly:

- **South Korea** announced a package of measures to open financial markets, including permission for foreign banks and securities houses to set up subsidiaries in the country beginning in December 1998.
- **Japan's** Finance Ministry set the price for the sale of 13 percent of **Japan Tobacco Inc.**, a former state-run monopoly, at 815,000 yen ($7,466) a share, 43 percent lower than in the company's initial sale in 1994.
- **ITC Ltd.**, India's largest tobacco maker, said net profit fell 0.2 percent, to 2.61 billion rupees ($74.7 million), in its latest year because of a tax dispute and restructuring costs.
- **North Korea's** economy shrank 4.6 percent in 1995, its sixth consecutive year of decline, mainly because of poor farm production, according to the South Korean central bank.
- **Mitsubishi Oil Co.** said a joint venture it led in Vietnam was expected to produce 45,000 barrels of oil a day in 1998.
- **Asia Cement Corp.**, a Taiwan cement producer, plans to invest in a $250 million cement factory in central China.

Bloomberg, AFP

Ramos Orders Policy Review on Marcos Aides

Bloomberg Business News

MANILA — President Fidel V. Ramos ordered a review of a decision to allow associates of the late President Ferdinand E. Marcos to repurchase companies taken over by the government, the presidential palace announced Monday.

The palace said Mr. Ramos had ordered a review of a policy set last week by the Committee on Privatization, a cabinet-level body, that allows the former owners to buy back properties or assets. He asked the finance secretary, who chairs the committee, and his chief legal and political aides to submit a report within three days. When Mr. Marcos was overthrown in 1986, the government sequestered many corporations and properties controlled by executives with close ties to the deposed leader.

Some of the companies had run up huge debts and were insolvent; others were seized on suspicion that their ownership had been obtained through illegal means. The government began a program to dispose of those companies in December 1986. By the end of 1995, it had sold 91 of 130 state companies and 346 other assets, generating 172 billion pesos ($6.6 billion) in revenue.

But the government has had difficulty disposing of the less attractive properties. The palace said a review could affect plans of Rodolfo Cuenca, the former owner of Philippine National Construction Corp. and a close friend of Mr. Marcos, to retake control of the company.

■ Cement Maker's Shares Rise

Shares of HI Cement, a company controlled by the Philippines' largest construction-materials concern, rose 14 percent on their first day of trading, to 10.25 pesos. The company will use the proceeds to finance a tripling of its capacity.

Japan Surplus Shrinks Sharply, But Trend May Begin to Slow

Reuters

TOKYO — Japan said Monday that its trade surplus shrank 60.5 percent in May as consumers continued to buy imported goods, but economists said the pace of the decline might slow later this year because of a weak economy.

Japan said the trade surplus came to 231.69 billion yen ($2.12 billion) in May, compared with 586.99 billion yen a year earlier. The surplus has fallen on a year-to-year basis for 18 consecutive months.

The surplus with the United States, Japan's largest trading partner, shrank 40 percent, to 167.68 billion yen.

Economists said the downward trend was firmly in place because of structural changes in the economy triggered in part by the yen's substantial rise in recent years.

Samsung Slows Chip Production

Bloomberg Business News

SEOUL — Samsung Electronics Co., the world's largest memory-chip maker, said Monday that it had shut down its semiconductor plants Sunday, for the first time in more than four years, to cut output.

Last month, Samsung said it would cut monthly semiconductor production by 15 percent to try to lift global chip prices, which have fallen by more than half this year. It said the plants would be shut two Sundays a month, as well as for a five-day period in July and a three-day period in September.

WEB: *The Gold Rush Is On for Pioneers of Internet Publishing*

Continued from Page 13

are the equivalents of the saloon and general store. They seem to have thriving businesses while the suppliers of media content, the miners of the Internet, do not. But Starwave is the miner that, to date, has done the most to find and exploit the medium. It is a private company and does not release figures, but insiders say Sportszone now has nearly 40,000 subscribers paying $4.95 a month or $39.95 a year.

Others are following Sportszone's example. Recently, publishers including Time Warner, The Wall Street Journal, a unit of Dow Jones & Co., and The New York Times Co. have all said they will soon begin charging for some of their Web-site information.

"No one knows if a real media business can be built on the Web," said Paul Sagan, president and editor of new media at Time Inc.

"But what Starwave has done proves there is reason to keep slugging away. They have shown you can create good content that people want to see, you can charge for ads and start to build a subscription base — all the elements of a real business."

Starwave's early success with Sportszone also suggests that special-interest categories with large potential audiences — "big niches," analysts say — are where opportunity lies on the Web.

It has been said that the Internet affords "infinite depths of narrowness," and as a subject, sports seems ideally suited to take advantage of that strength. Sportszone has 50,000 hypertext pages, 6,000 pictures, 2,500 audio clips and 1,000 video clips. Its on-screen "front page" is redone two dozen times a day.

The real lesson to be learned from Sportszone, analysts say, is that to get people to pay for material on the Web, publishers must tap specific subjects that are of passionate interest to readers.

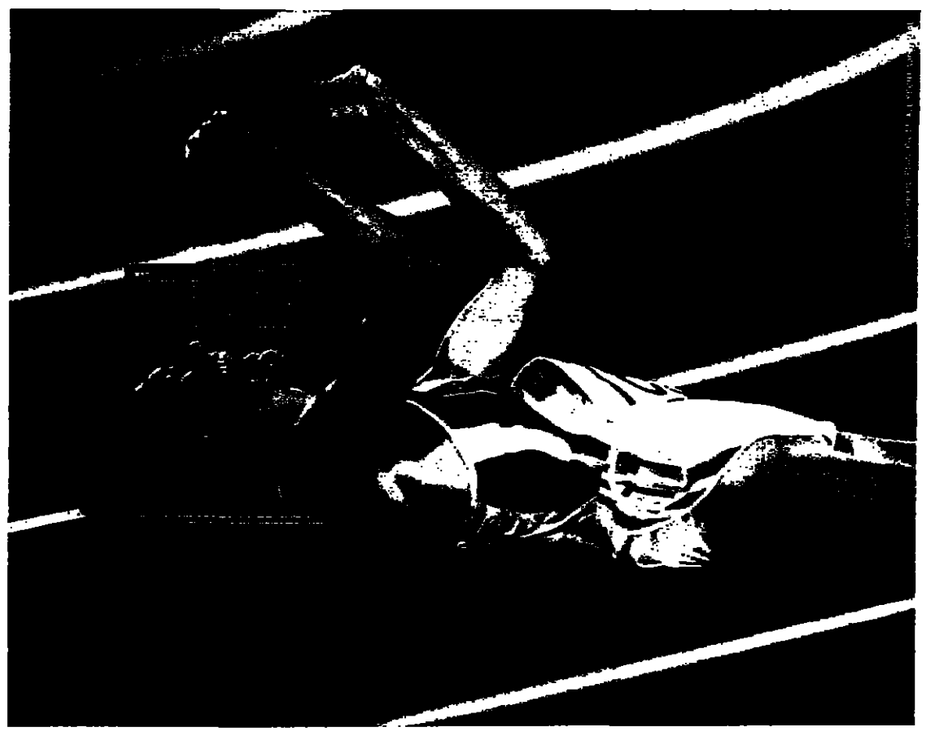
"The way to get rich on the Web is to collect a license fee on an obsession," said Paul Saffo, a director of the Institute for the Future, a nonprofit research group. Yet Starwave's experience also seems to point to the limits of opportunities for consumer media on the Web, at least in the early going.

In addition to ESPNet Sportszone, Starwave has Web-based services for entertainment news, family advice and outdoor pursuits.

Its entertainment service, Mr. Showbiz, for example, is one of the company's longer-term investments.

It has 25 full-time employees and 60 free-lancers, and its irreverent blend of movie and television news and gossip has made Mr. Showbiz a leading entertainment Web site in terms of the size of its keyboard-tapping audience.

But that audience is one-tenth the size of Sportszone's following; so attracting advertisers has been an uphill struggle, and Mr. Showbiz has not yet tried to charge subscription fees.



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Monday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

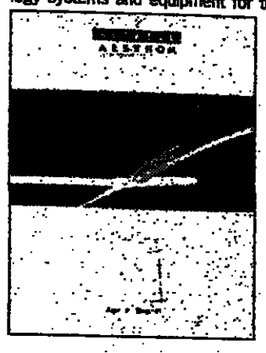
Monday's 4 p.m. Close

(Continued)

ANNUAL REPORTS

ALCATEL ALSTHOM

Alcatel Alsthom is one of the world's leading providers of high technology systems and equipment for telecommunications, power and transportation. Each of the Group's business segments ranks among the very best in its field. Its products are key to the economic development of countries around the world. The Alcatel Alsthom share is listed on the Paris Bourse, London's SEAQ, as an ADR on the New York Stock Exchange, as well as on stock exchanges in Tokyo and Europe's major financial centers.
With 1995 sales of FF 160.4 billion and 191,800 employees, Alcatel Alsthom operates in over



1

CNP

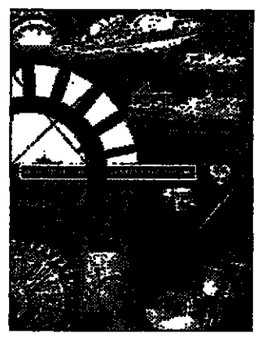
CNP, the leading personal life insurer in France, is positioned at the forefront of the French economic scene.

Thanks to its ability to adapt and innovate, provide products designed to the highest standards, work with dynamic partners, CNP currently manages more than 8 million insurance policies.
In 1994 (in FF billion)
Consolidated 1995 premium income 84.3
Group share of net earning 1,484
Managed assets 350 (+25%)

2

COFLEXIP STENA OFFSHORE

Coflexip Stena Offshore is the world's leading subsea contractor in oilfield services. Listed on the New York (NASDAQ) and Paris (RM) stock exchanges, the Group achieved revenues in 1995 of FF 4 billion. Headquartered in Paris, France, Coflexip Stena Offshore offers its products and services from locations in Australia, Brazil, France, India, Norway, Singapore, the United Kingdom and the United States.



The Group provides a wide range of field development services (project management, engineering, etc.). This capability is enhanced with a range of unique and complementary products (flexible pipe, reeled steel pipe, control umbilicals and remotely operated vehicles). Coflexip Stena Offshore also owns and operates the largest and most advanced fleet of subsea construction and installation vessels.

3

CRÉDIT LOCAL DE FRANCE

Since its creation, the French leader in local development financing, Crédit local de France has reported regular growth in business and income. This growth is confirmed by the company's international development in Great Britain, Spain, Austria, Germany, Sweden and the United States.

In 1996, Crédit local de France and Crédit communal de Belgique began talks to pool activities. The goal is to form a major European group specialized in the financing of local public service facilities.
With equity of more than FRF 20 billion, Crédit local de France has been rated AAA/Aaa by Standard & Poor's, Mo xdy's and IBCA.
Net income, group share, totalled FRF 1,480 million in 1995.

4

Electrowatt

Electrowatt Ltd. is a Swiss holding company of a group of international companies active in 6 divisions: electric utilities, electric power operations - engineering and contracting - security systems, building control, electronics. These companies have established significant or leading positions in their markets in Europe, North America and the Far East.

1994/95 consolidated sales were 1% higher at CHF 4.982 bn. Cash flow increased to CHF 764 million. Net income from operations rose by 9% to CHF 210 million. Return on equity amounts to 10.5%.

5

Gaz de France

Gaz de France is responsible for the importation, transport, storage, distribution and retailing of natural gas.

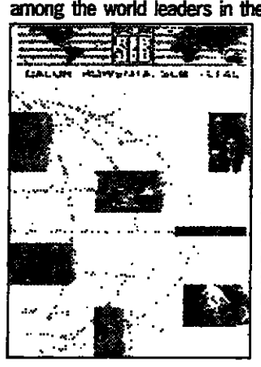
With its development of the network, increased international presence, new products and services, Gaz de France figures among the leading gas operators in the world.
Turnover: FFR 49,3 billion
Profit: FFR 1,9 billion
Net and assimilated investments: FFR 5,9 billion
Gas sales: 430 billion kwh.

6

GROUPE SEB

CALOR. ROWENTA. SEB. TEFAL

With sales totalling FF 9,104 million in 1995, net income of FF 450 million, and 10,100 employees, Groupe SEB ranks among the world leaders in the small household equipment sector.



Our products are sold in over 100 countries. On most markets, they are distributed principally under the brand names Rowenta and Tefal (or T-Fal).
The SEB shares are quoted on the Paris Stock Exchange. An independent enterprise, Groupe SEB endeavours to ensure for its shareholders an attractive investment income and steady capital growth.

7

LAFARGE

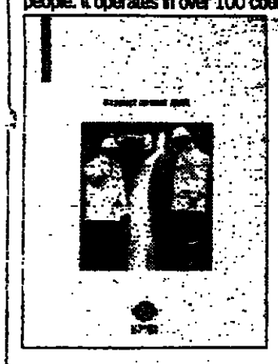
MATERIALS FOR BUILDING OUR WORLD

Lafarge is one of the world's foremost producers of building materials. The Group holds leading positions in each of its core businesses: cement, concrete and aggregates, gypsum and specialty products.
Active in over 40 countries and employing 35,000 people generating sales of FRF 33 billion, Lafarge is committed to the development of materials and advancement of the construction industry by bringing greater safety, comfort and aesthetic appeal to our everyday lives.

8

LYONNAISE DES EAUX

Lyonnaise des Eaux is a worldwide group employing 140,000 people. It operates in over 100 countries in 3 core activities:



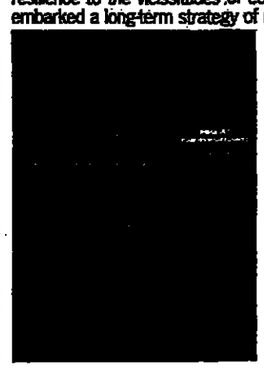
- Services to the general community: water distribution and treatment, waste management, energy supply,
- Development and construction: building and civil engineering, road building and industrial contracting, concessionary activities (motorways and car parks),
- Communication: television and cable networks.

Its turnover, 45% of which is generated outside France, totalled FRF 98,6 billion in 1995.

9

PINAULT PRINTEMPS-REDOUTE

Pinault - Printemps - Redoute is a multi-purpose distribution group split into four operating divisions - Retail, Financial Services, Wholesale and International Trade. It is now one of the leading quoted companies in France and has been a member of the CAC 40 index since February 1995.
The group's strength lies in its diversified structure, a source of resilience to the vicissitudes of economic cycles. The group has embarked a long-term strategy of refocusing on markets where it holds a leading position. Its development policy is based on the promotion of established brands and international expansion. The group currently derives 27.7% of its business from foreign markets.



1995 consolidated information :
Sales: FF 77,799 million
Operating income: FF 2,991 million
Attributable net income: FF 1,516 million
Chairman of the Management Board: Serge Weinberg.

10

POLIET

The POLIET Group holds a unique position in the building sector. Concentrating on the building materials area, it is both a large manufacturer and distributor.
The Group is organised into six sectors:

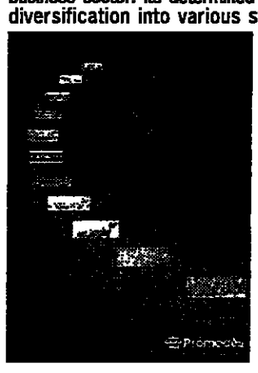
- Building and Home Improvement Product Wholesaling
- Industrial Joinery
- Construction Mortar
- Clay Roofing Tiles
- Locks and Hardware
- Concrete Products.

In 1995, POLIET Group's sales amounted to FRF 22.6 billion.
POLIET, Joint Stock Company with Management and Supervisory Boards.
President of the Management Board:
Jean-Gérard CLAUDON

11

Promodès

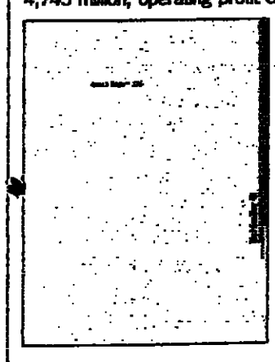
Measured by the sales generated through its trading networks — FRF 159.7 billion in 1995, 8.9 % increase over 1994, (USD 32.3 billion) — the Promodès Group is now France's second largest food retailer and ranks among Europe's five leaders in its business sector. Its determined growth strategy has targeted diversification into various segments of the retail food trade: **Hypermarkets:** Continent, Continente. **Supermarkets:** Champion, **Limited assortment discount stores:** Dia. **Convenience Stores:** Shopi, Codec, 8 à Huit. **Cash & Carry and institutional wholesaler:** Promocash, Puntocash, Prodirest. The rapid growth of the Group's domestic business has been accompanied by expansion into foreign markets: in particular, Spain, Germany, Greece, Italy, Portugal, Belgium, Turkey.



12

Schindler

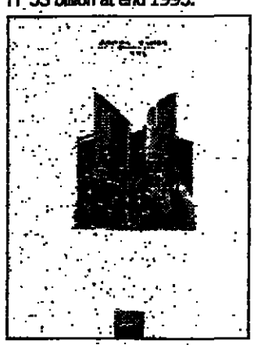
Every day, 500 million people around the world use Schindler installations. Schindler is one of the world's leading elevator manufacturer and number one worldwide in escalators. Encouraging growth in Schindler's core business illustrates the widespread market acceptance of the company's products even in economically difficult times.
Group key figures for fiscal 1995 are: orders received Sfr. 4,735 million, operating income Sfr. 4,745 million, operating profit Sfr. 113.3 million, net profit Sfr. 78.5 million, personnel 34'304.
(Exchange rate US$/Sfr. 1.15)



13

SOCIÉTÉ GÉNÉRALE

Largest private French bank, nineteenth worldwide*.
11th largest market capitalization on the Paris Stock Exchange: FF 53 billion at end 1995.



Nearly 400,000 shareholders.
4 million private and corporate customer accounts.
2,000 branches in France, 500 offices in over 70 countries.
45,000 employees including 12,000 outside France.
An effective round-the-clock presence in the world's leading financial centers.

*The Banker, July 1995.

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18/06/96

WORLD ROUNDUP

Johnson Advances

ATHLETICS Michael Johnson and Butch Reynolds easily advanced to the 400 meters final at the U.S. Olympic trials. Johnson, who has not lost a 400 final since 1989, finished second in his heat Sunday.

On Saturday, Dennis Mitchell won the 100 meters as Carl Lewis finished last and failed to qualify for the Olympic team.

Jackie Joyner-Kersee lost to an American in the heptathlon for the first time in 13 years. Kelly Blair edged Joyner-Kersee by three points with a 6,406 total. *(AP)*

● Jonathan Edwards, the triple jump world champion,was left off the British Olympic team Monday but told he would be chosen as soon as he proved his fitness. *(Reuters)*

Brian Blades Is Cleared

FOOTBALL The Seattle Seahawks' receiver Brian Blades was cleared of manslaughter Monday when Florida Circuit Court Judge Susan Lebow set aside a jury verdict of guilty and ordered him acquitted. The acquittal means he cannot be tried again on the same charge. The defense had filed a motion arguing that the state presented no evidence that Blades had acted recklessly or negligently in the accidental shooting of his cousin.*(AP)*

Maradona Ejected

SOCCER Diego Maradona was one of three Boca Juniors players ejected as his team lost an important Argentine league game, 5-1, to Velez Sarsfield on Sunday. Velez's goalkeeper José Luis Chilavert scored two goals. *(Reuters)*

● Jorge Campos played a doubleheader at the Rose Bowl, Sunday. The first game, before a crowd of 92,216, was in the goal for Mexico against the United States in U.S. Cup '96 competition. The game ended 2-2, giving Mexico first place in the four-nation event.

Campos was soon back on the field for the Los Angeles Galaxy in a Major League Soccer game against the Tampa Bay Mutiny. He started as goalkeeper but played the last 17 minutes as a forward. David Kramer took over in goal and became the hero when he saved two goals in a shoot-out to give the Galaxy a 3-2 victory. *(LAT, AP)*

15 Fans Die in Zambia

SOCCER At least 15 soccer fans were crushed to death and 52 others injured during a stampede following Zambia's victory over Sudan in a World Cup qualifying game Sunday, the police said. *(AP)*

Algeria Abandons Soccer

SOCCER Algeria on Monday banned its national coach and his deputy from coaching for life and dissolved the national federation and league after elimination from the World Cup by Kenya. *(Reuters)*

In Hogan's Footsteps, Jones Wins U.S. Open

Both Fought Back After Injuries

By Thomas Boswell
Washington Post Service

BLOOMFIELD HILLS, Michigan — No U.S. Open champion has ever needed as much help as Steve Jones did at Oakland Hills Country Club. The little-known 37-year-old journeyman was aided to his stunning one-shot victory by an inspirational biography of Ben Hogan and by the 3-foot par putt Davis Love 3d missed on the 72d green.

Jones was helped the most, however, by the man he beat Sunday — his close friend Tom Lehman, who finished one shot behind, tied with Love.

It was Lehman who, from the first hole through the nerve-racking stretch, quoted Bible verses to Jones and exhorted him to be "courageous and strong." It was Lehman who led by example, hitting one gutsy and near-perfect shot after another on the closing holes.

Each time, however, Lehman was met by capricious bad breaks, especially a booming drive at the 72d hole that ended in an close-to-the-lip lie in a fairway trap and led to an Open-losing bogey.

"All you can ask is to hit the shots that you picture in your mind. And I did," said a perplexed Lehman, whose best-struck shots took the worst bounces.

Jones, meanwhile, was a semi-wreck as he staggered toward the clubhouse, bogeying the 13th and 17th holes and escaping other disasters. Nevertheless he finished with a last-round 69, his third-straight round under par. Lehman shot a 71 and Love a 69.

"Tom was the one who was courageous and strong," Jones said. "He gunned it right over the water at 16, then lipped out the birdie putt. He almost hit the stick at 17. And he hit a drive at the 18th hole, but it took a bad bounce into that trap. I was just hanging on. I was really nervous.

"Fortunately, my last putt was one foot long. If it had been one inch longer, I don't know where it would have ended up."

When the strokes were added, Jones won, 278-279. It's a parable of some kind, no doubt. You figure it out. Jones and Lehman can't.

Pro golfers are bonded together by their common vicious enemy: golf. They have no teammates, no city and, in a sense, no home. They tour the country and the world, putting on their weekly show. No one really understands them — except other pro golfers.

The result is a peculiar, but touching, mixture of intense competition and intense mutual concern. They are the nomads of sports. If they don't take care of each other, worry about each other's injuries, nurse each other's psyches and find the flaws in each other's games, who will? Nobody.

In the late 1980s, Lehman was a scuffler, bouncing all over the world to obscure tours to earn a living and improve his game.

The genial, gifted, self-deprecating Jones was a minor star, winning three PGA Tour events in 1989. An all-state basketball player as a schoolboy, sports came naturally to him.

Despite their differences, this odd couple became friends.

In the '90s, everything changed. Lehman emerged as a late-blooming star. Jones crashed — literally. After a dirt bike accident he missed three full seasons on tour.

Throughout his recovery, Lehman was there.Sometimes, Jones doubted that a recurring wrist injury ever would let him swing a club again, even for fun. Jones got back on tour in late 1994. He made a living, but he wasn't leaving a mark. Until this Open.

Of the 10 players on the leader board Sunday, he was the most notorious for Sunday collapses, even when he wasn't near the lead. Perhaps that's why the second comment out of Jones's mouth at this victory news conference was to say how lucky he was to have played with Lehman, known for his composure under Ryder Cup pressure. So, there they were, playing in the last group, Lehman leading the tournament by one shot-over Jones.

Did Jones, in turn, exhort Lehman?

"I didn't encourage him at all. I wanted to win," said Jones. "He was saying the right words for both of us. I'd just say, 'Hey, man, O.K., O.K. That's for both of us.' "

One vision of sport says they should have been glaring straight ahead or jangling change in their pockets to distract each other as they walked to where their long drives lay, side by side. Instead, Jones walked down the fairway, almost hopping sideways as he talked, like a kid who admires his older brother, telling funny stories to Lehman and his caddie.

Lehman, setting the strong example, smoked a perfect driver shot from the fairway, reaching the 560-yard, par-5 in two shots. His ball rolled into a brutal sidehill lie in the back trap, preventing him from blasting toward the hole.

Jones played more cautiously, ending in a front trap. Jones blasted to four feet for an easy birdie. Lehman had to play out sideways to the top tier of the green. Then, from that grim spot, he 3-putted.

It's easy to see why people want to help Jones. In a sport with plenty of prima donnas, he may have the most modest, winning manner on tour.

After his victory, he made sure to thank another friend who had given him a new biography of Hogan, who won the Open at Oakland Hills in 1951 after recovering from horrible car-crash injuries.

"I couldn't put that book down. My accident wasn't anywhere near as bad as his. He almost died. Hogan really knew how to focus in on the shot at hand and not worry about anything else. I copied that," said Jones.

Some say that the American tour is just a bit too friendly a place. That's why, they say, no new Hogan, Snead, Palmer, Nicklaus or Watson has appeared in recent times to become the next Great American Golfer. None of them, after all, was known for giving pep talks to the opposition on the first tee. Much less on the 16th tee, when you are one shot behind. Still, you have to admit it's something you never thought you'd live to see. Like Steve Jones winning the U.S. Open.

Eric Miller/Reuters
Steve Jones lifting his daughter, Stacey, after winning the U.S. Open title by one shot with a 2-under-par 278.

The Complex Arithmetic of Euro 96

Reuters

MANCHESTER— Turn on the calculators, work out the coefficients, take away the number you first thought of and solve Euro 96's great riddle — who qualifies for the last eight. As the 16 teams trained Monday ahead of the final round of group games Tuesday and Wednesday, they needed to exercise their minds as well as their bodies.

Paolo Cocco/Reuters
Arrigo Sacchi, Italy's coach, thinks.

Only two, Romania and Turkey, are already eliminated. Only one — Croatia — is assured of a place in the knockout rounds, and it does not know if it will finish first or second in Group D.

In Group A, England and the Netherlands have four points; Switzerland and Scotland one. On Wednesday, at 5:30 P.M. GMT, the Dutch play the English and the Scots play the Swiss.

If England and the Netherlands tie, both advance with England as group winners because they have scored one more goal than the Dutch. Because the Scots lost to the English, they finish below them if the two are even on points. The same applies to the Swiss with the Dutch. England and the Netherlands both have plus-2 goal differences while the Scots and Swiss are both minus-2.

Scotland must win, hope the Dutch lose and make up four goals. Switzerland must win while England loses and, again, overcome the four-goal deficit.

In Group B, France and Bulgaria have four points, Spain has two and Romania zero. The final games — France versus Bulgaria; Romania versus Spain, are on Tuesday at 2:30 P.M. France and Bulgaria will qualify if Spain fails to beat Romania. Even if Spain wins, France needs only a draw to advance, but Bulgaria needs a tie and at least two goals.

If France and Bulgaria draw 1-1 and Spain wins 1-0, all would have identical records and would be separated by coefficients based on their qualifying games for this tournament, the 1994 World Cup and the 1992 European championship. France would be tops, Spain second and Bulgaria out.The group winner will meet the second-place team in Group A on Saturday at Liverpool. The second-place team will meet the Group A winner at Wembley in London on the same day.

In Group C, Germany has six points, the Czechs and Italians three and Russia zero. On Wednesday at 5:30 P.M. Italy plays Germany and Russia plays the Czechs. Germany will fail to qualify only if it loses by four goals and the Czechs win. Italy will advance if it wins and would top the group if it won by two goals or if the Czechs failed to win. If Italy wins, the Czechs need to win by four goals. If both matches are ties, Germany and the Czech Republic qualify. If Russia beats the Czechs, scoring at least two goals and Italy loses, the Russians finish second.

In Group D, Croatia has six points, Portugal four, Denmark and Turkey zero. On Wednesday at 2:30 P.M., Croatia meets Portugal and Turkey meets Denmark. Croatia will top the group with a draw or a victory. Portugal needs a draw to be sure of qualifying and will finish on top it wins. Denmark must win, hope Portugal loses and make up a four-goal margin. The group winner faces the Group C runner-up Sunday at Birmingham. The runner-up plays the Group C winner at Manchester.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	38	27	.585	—
Baltimore	36	29	.554	2
Boston	29	38	.433	10
Toronto	28	40	.412	11½
Detroit	18	50	.265	21½
CENTRAL DIVISION				
Cleveland	43	24	.642	—
Chicago	41	25	.621	1½
Milwaukee	32	34	.485	10½
Minnesota	32	34	.485	10½
Kansas City	30	39	.435	14
WEST DIVISION				
Texas	41	27	.603	—
Seattle	36	30	.545	4
California	34	33	.507	6½
Oakland	30	38	.441	11

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	41	26	.612	—
Montreal	38	29	.567	3
Florida	33	35	.485	8½
New York	29	38	.433	12
Philadelphia	29	38	.433	12
CENTRAL DIVISION				
Houston	35	35	.500	—
St. Louis	33	34	.493	½
Chicago	32	36	.471	2
Pittsburgh	32	36	.471	2
Cincinnati	26	35	.426	4½
WEST DIVISION				
Los Angeles	37	32	.536	—
San Diego	37	32	.536	—
Colorado	35	31	.530	½
San Francisco	33	33	.500	2½

SUNDAY'S LINE SCORES

AMERICAN LEAGUE

Texas 020 050 200—9 13 0
Boston 201 000 003—10 13 0
K.Hill, Vosberg (7), Russell (8), Henneman (9) and Valle; Eshelman, Garces (5), Hudson (8) and Stanley. W—Hudson. 2-2. L—Henneman, 0-5. HRs—Texas, Buford (2).

Boston, Canseco (21), Jefferson (6).
Detroit 001 000 000—1 4 1
Minnesota 003 000 01x—4 8 1
Lira, M. Myers (8), Walker (8) and Fisherty; Aguilera, Hansell (8) and G. Myers. W—Aguilera, 1-1. L—Lira, 3-7. Sv—Hansell (3). HR-Detroit, Curtis (5).

Cleveland 000 030 010—4 11 2
New York 201 200 00x—5 13 1
De.Martinez, Swindell (4), Tavarez (8), Assenmacher (8), Shuey (8) and Pena. S. Assenmacher (8). Shuey (8) and Pena. S. Alomar (8); Pettitte, M. Rivera (6), Howe (8), Wetteland (8) and Girardi. W—Pettitte, 11-3. L—De.Martinez, 8-4. Sv—Wetteland (18). HR—Cleveland, M. Ramirez (16).

Oakland 031 100 022—10 13 1
Milwaukee 005 030 001—9 12 1
Johns, Corsi (5), Groom (7), Taylor (8), Mohler (9) and Ga.Williams; McDonald, J. Mercedes (8), Fetters (9) and Matheny. W—Taylor, 2-1. L—Fetters, 1-1. Sv—Mohler (6). Oakland, Young (9). Milwaukee, Seltzer (7), Johs (11).

Toronto 200 102 001—6 11 0
California 010 002 010—4 10 1
Quantrill, Castillo (6), Timlin (8) and S. Martinez; O'Brien (9); J.Abbott, Hancock (6), McElroy (9), James (9) and Fabregas, Slaught (9). W—Quantrill, 3-7. L—J. Abbott, 1-10. Sv—Timlin (11). HRs—Toronto, Carter (16), Sprague (17). California, Salmon 2 (15), C.Davis (13), Snow (8).

Chicago 040 002 000—4 12 0
Seattle 001 000 00x—7 12 1
Magnane, Keyser (4), L. Thomas (8), McCaskill (8) and Kreuter; B.Wells, Hurtado (6), Minor (6), Guetterman (7), M. Jackson (8) and Marzone. W—B. Wells, 7-1. L—Magnane, 1-4. Sv—M. Jackson (3).

Baltimore 100 004 008—13 18 1
Kansas City 030 010 001—5 9 1
Coppinger, Orosco (7), Mills (7) and Zauru Belcher, Jacome (6), Pichardo (7), Pugh (8) and Macfarlane. W—Coppinger, 2-0. L—Jacome, 0-2. Sv—Mills (1). HRs—Baltimore, By.Anderson 2 (24).

NATIONAL LEAGUE

Florida 001 010 200—4 12 1
Pittsburgh 000 020 000—2 11 3
K.Brown, Y. Perez (8), Te.Mathews (8), Nen (9) and C. Johnson; Neagle, Lieber (7), Micelli (8) and Kendall. W—K. Brown, 5-5. L—Neagle, 8-3. Sv—Nen (14). HR—Florida, Dv.White (6).

Los Angeles 100 101 000—3 5 1
Atlanta 000 100 001—2 6 1
Candiotti, Osuna (8), Td.Worrell (9) and Piazza; Schmidt, McMichael (8), Clontz (9), Borbon (9) and J. Lopez. W—Candiotti, 5-5. L—Schmidt, 2-3. Sv—Td.Worrell (20). HRs—Los Angeles, Piazza 2 (16). Atlanta, McGriff (18).

Montreal 000 000 000—0 4 2
Cincinnati 300 030 01x—7 12 0
Cormier, Manuel (5), D. Veres (8) and D. Fletcher, Webster (7); Salkeld and J. Oliver. W—Salkeld, 3-1. L—Cormier, 3-4. HRs—Cincinnati, Larkin (9), R. Sanders (3).

New York 001 100 110—4 7 1
St. Louis 030 000 02x—5 10 2
Hanlack, D. Henry (7), Franco (8) and Mayne, Hundley (7); Morgan, Petkovsek (6), Eckersley (9) and Pagnozzi, Sheaffer (9). W—Petkovsek, 5-0. L—D. Henry, 2-2. Sv—Eckersley (16). HR—New York, Kent (7).

San Diego 100 020 010—4 4 2
Chicago 040 400 00x—8 9 1
Valenzuela, Blair (4), Bergman (7), Bochtler (8) and Ausmus; F.Castillo, Bullinger (6) and Servais. W—F. Castillo, 2-9. L—Valenzuela, 3-5. Sv—Bullinger (1). HRs—San Diego, Cianfrocco (1). Chicago, Shempert (2).

Philadelphia 000 010 002—3 9 2
Colorado 012 332 00x—11 14 0
B.Munoz, Leiper (5), Botallico (7), Springer (8) and Lieberthal; Ritz, Hawblitzel (8), Alston (9) and Je.Reed. W—Ritz, 8-4. L—B. Munoz, 0-2. HRs—Colorado, Castillo (10), Je.Reed (7).

Houston 010 120 210—7 12 2
San Francisco 000 100 301—5 13 1
Drabek, Hartgraves (7), X. Hernandez (7), Morman (8), To.Jones (9) and R. Wilkins; Manwaring, W—DeLucia, 3-2. L—Morman, 1-1. HRs—Houston, Spiers (2). San Francisco, Mo.Williams (15).

SOCCER

WORLD CUP QUALIFYING

AFRICAN ZONE

FIRST ROUND, SECOND LEG

Burkina Faso 2, Mauritania 0
(Burkina Faso advance on 2-0 aggregate)
Guinea 3, Guinea Bissau 1
(Guinea advance on 5-4 aggregate)
Burundi 1, Sierra Leone 0
(Burundi advance on 2-0 aggregate)
Tunisia 2, Rwanda 0
(Tunisia advance on 5-1 aggregate)

U.S. CUP

United States 2, Mexico 2, tie

MAJOR LEAGUE SOCCER

SUNDAY'S RESULTS

San Jose 1, NY-NJ 0
Los Angeles 3, Tampa Bay 2
(Los Angeles wins 4-2 on shootout)

STANDINGS: Eastern Conference— New England 9; NY-NJ 8. Western Conference— Los Angeles 29; Dallas 18; San Jose 16; Kansas City 14; Colorado 12.

GOLF

U.S. Open

Leading final scores Sunday of the 96th U.S. Open on the 6,974-yard (6,377-meter), par-70 South Course at Oakland Hills Country Club in Bloomfield Hills, Michigan (U.S. players unless specified):

Steve Jones	74-66-69-69—278
Tom Lehman	71-72-65-71—279
Davis Love III	71-69-70-69—279
John Morse	68-74-68-70—280
Jim Furyk	72-69-70-70—281
Ernie Els	72-67-72-70—281
Vijay Singh	71-72-70-69—282
Ken Green	73-67-72-70—282
Scott Hoch	73-71-71-67—282
Lee Janzen	68-75-71-69—283
Greg Norman	73-66-74-70—283
Colin Montgomerie	70-72-69-72—283

Yomiuri Open

Leading final scores Sunday of the $817,000 Pocari Sweat Yomiuri Open at the 6,827-yard, par-71 Wakasu Golf Links in Tokyo (players are Japanese unless specified):

Kazuhiro Fukunaga	68-67-64-67—266
Todd Hamilton, U.S.	63-72-64-67—266
Peter Senior, Australia	70-65-69-63—267
Roger Mackay, Australia	64-68-67-69—268
Hirofumi Miyase	68-69-66-66—269
Tomohiro Maruyama	70-69-66-65—270
Massy Kuramoto	66-69-69-66—270
Brian Watts, U.S.	65-69-68-68—270
Kazuhiko Hosokawa	64-72-66-68—270
Hiroshi Maidno	68-69-66-69—270
Tsukasa Watanabe	64-69-66-71—270
Hajime Meshiai	64-65-69-72—270

AUTO RACING

Canadian Grand Prix

Leading results Sunday of the Canadian Grand Prix, 69 laps on the 2.745-mile Gilles Villeneuve Circuit: 1, Damon Hill, British, Williams-Renault, 1 hour, 36 minutes, 3.465 seconds, 118.326 mph; 2, Jacques Villeneuve, Canada, Williams-Renault, 4.183 seconds behind; 3, Jean Alesi, France, Benetton-Renault, 54.656 seconds; 4, David Coulthard, British, McLaren-Mercedes, 1 minute, 2.073 seconds; 5, Mika Hakkinen, Finland, McLaren-Mercedes, 1 lap behind; 6, Martin Brundle, British, Jordan-Peugot, 1 lap; 7, Johnny Herbert, British, Sauber-Ford, 1 lap; 8, Giancarlo Fisichella, Italy, Minardi-Ford, 2 laps.

DRIVERS' STANDINGS 1, Hill, 53 points; 2, Villeneuve, 32; 3, Michael Schumacher, Germany, Ferrari, 26; 4, Alesi, 21; 5, Coulthard, 13; 6, Olivier Panis, France, Ligier-Mugen-Honda, 11; 7, Hakkinen, 10; 8, Eddie Irvine, Britain, Ferrari, 9; 9, Gerhard Berger, Austria, Benetton-Renault, 7; 9, Rubens Barrichello, Brazil, Jordan-Peugot, 7.

CONSTRUCTORS' STANDINGS 1, Williams-Renault 85 points; 2, Ferrari 35; 3, Benetton-Renault 28; 4, McLaren-Mercedes 23; 5, Ligier-Mugen Honda 12; 6, Sauber-Ford 10; 7, Jordan-Peugeot 9; 8, Tyrrell-Yamaha 5; 9, Footwork-Hart 1.

Le Mans

Leading final results Sunday of the LeMans 24 Hours race on the 8.45-mile circuit: 1, Davy Jones, United States; Manuel Reuter, Germany; and Alexander Wurz, Austria, TWR Porsche, 354 laps, 2,991.3 miles, 124.66 mph; 2, Hans-Joachim Stuck, Germany; Thierry Boutsen, Belgium; and Bob Wollek, France, Porsche AG GT1, 1 lap behind; 3, Kai Wendlinger, Austria; Yannick Dalmas, France; and Scott Goodyear, Canada, Porsche AG GT1, 13 laps; 4, John Nielsen, Denmark; Thomas Bscher, Germany; and Peter Kox, Netherlands, McLaren F1, 16 laps; 5, Lindsay Owen Jones, Britain; Pierre Henri Raphanel, France; and David Brabham, Australia, McLaren F1, 19 laps; 6, Andy Wallace, Britain; Olivier Grouillard, France; and Derek Bell, British, McLaren F1, 28 laps; 7, Henri Pescarolo, France; Arnaroulet Collard, France; and Franck LaGorce, France, Courage-Porsche, 27 laps; 8, Nelson Piquet, Brazil; Johnny Cecotto, Venezuela; and Danny Sullivan, United States, McLaren F1, 30 laps; 9, Ray Bellm, Britain; James Weaver, Britain; and J.J. Lehto, Finland, McLaren F1, 31 laps; 10, Price Cobb, United States; Mark Dismore, United States; and Shawn Hendricks, United States, Chrysler Viper, 34 laps.

RUGBY LEAGUE

STATE OF ORIGIN

New South Wales 15, Queensland 14
(New South Wales wins series 3-0)

FOOTBALL

World League Standings

FINAL STANDINGS

	W	L	Pct.	PF	PA
x-Scotland	7	3	.700	233	190
x-Frankfurt	6	4	.600	221	220
Amsterdam	5	5	.500	250	210
Barcelona	5	5	.500	192	230
London	4	6	.400	161	192
Rhein	3	7	.300	176	191

x-clinched World Bowl berth

SUNDAY'S RESULTS

London 17, Rhein 14
Barcelona 32, Scotland 27

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

KANSAS CITY—Sent OF Jon Nunnally to Omaha, AA. Called up RHP Brian Bevil from Omaha.

MINNESOTA—Sent C Mike Durant to Salt Lake City, PCL.

OAKLAND—Recalled 1F Tony Batista from Edmonton, PCL. Put 2B Brent Gates on 15-day disabled list.

NATIONAL LEAGUE

CHICAGO—Put 1B Mark Grace on 15-day disabled list. Waived RHP Doug Jones for the purpose of giving him his unconditional release. Recalled 1B Brant Brown from Iowa, AA. Bought contract of RHP Kent Bottenfield from Iowa. Signed CF Quincy Carter.

CINCINNATI—Activated OF Reggie Sanders from 15-day disabled list. Optioned OF Curtis Goodwin to Indianapolis, AA.

FLORIDA—Put LHP Chris Hammond on 15-day disabled list, retroactive to June 9. Recalled RHP Matt Mantei from Charlotte, IL.

N.Y. METS—Announced that LHP Bob MacDonald has cleared waivers and accepted an assignment to Norfolk, IL. Optioned 1B Roberto Petagine to Norfolk, IL. Bought contract of OF Andy Tomberlin from Norfolk.

PHILADELPHIA—Put 2B Mickey Morandini on 15-day disabled list. Recalled 1F David Doster from Scranton-Wilkes-Barre, IL.

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbi.html

Worldwise coverage
via the World's Daily Newspaper
Herald Tribune INTERNATIONAL
Comprehensive yet concise, informed yet impartial, the affairs of the world unfold on the pages of the World's Daily Newspaper.

SPORTS

At Last, the Bulls End Championship Season

By Anthony Cotton
Washington Post Service

CHICAGO — The talk of being the best team in National Basketball Association history had been emphatically muted over the past week, and for much of Game 6 of the 1996 NBA finals, the Chicago Bulls — even Michael Jordan — looked less like an indomitable force than like the oldest team in the league desperately gasping for its next breath.

But throughout a draining nine-month season, through Jordan's first full season back after an 18-month retirement, through a league record 72 regular season victories — even through the ever-changing shades of Dennis Rodman's hair — the Bulls were nothing if not resourceful and because of that, the team is now celebrating its fourth championship in six seasons.

Using one third-quarter spurt to take control of the game and another in the fourth quarter to hold off the tenacious Seattle SuperSonics, Chicago emerged with an 87-75 triumph to win the series 4 games to 2.

And while perhaps not establishing them as a team for the ages, the victory clearly showed why they were far and away the best the league had to offer this season.

"Who would have ever written this season?" Jordan asked afterward. "No one predicted it but things work in mysterious ways. I think we were blessed with the success we've had this year."

Jordan struggled through a five-for-19 shooting night based in part, he said, on the emotion of playing for the league championship on Father's Day without his late father, James, to cheer him on.

"This is probably the hardest time for me to play the game of basketball," Jordan said. "I had a lot of things on my heart, on my mind. I just had a lot to think about and maybe my mind wasn't geared to where it was. I'm just happy that the team kind of pulled me through it."

Indeed, unlike years past, an off night by Jordan didn't automatically equate to a Chicago loss. The superstar guard finished with 22 points, 9 rebounds and 7 assists and was ably assisted by Rodman, who grabbed 19 rebounds and scored 9 points with 5 assists, and Scottie Pippen, who added 17 points, 8 rebounds, 5 assists and 4 steals.

Seattle was led by Detlef Schrempf's 23 points. Gary Payton added 19 and Shawn Kemp had 18 with 14 rebounds before fouling out with almost five minutes to play.

BULLS 87, SUPERSONICS 75

SEATTLE

	Min	FG	FT	Reb	A	PF	Pts.
Kemp	45	8-17	2-2	6-14	3	4	18
Schrempf	40	9-17	3-4	1-5	2	3	23
Brickowski	14	0-3	0-0	0-0	1	1	0
Hawkins	41	2-6	0-0	1-4	0	4	4
Payton	47	7-18	2-2	0-4	7	3	19
Perkins	32	3-14	1-2	3-6	5	0	7
McMillan	10	0-3	0-0	0-1	0	0	0
Wingate	9	2-2	0-0	1-1	0	2	4
Askew	5	0-1	0-0	0-0	0	0	0
Scheffler	1	0-0	0-0	0-0	0	0	0
Snow	1	0-0	0-0	0-0	1	0	0
Totals	240	31-73	8-10	12-35	19	20	75

CHICAGO

	Min	FG	FT	Reb	A	PF	Pts.
Pippen	42	7-17	0-0	2-6	5	4	17
Rodman	38	4-9	1-3	11-19	5	4	9
Longley	32	5-6	2-3	4-8	0	5	12
Harper	38	3-11	2-2	0-3	2	1	10
Jordan	43	5-19	11-12	2-9	7	3	22
Kukoc	22	4-11	0-0	3-3	1	0	10
Kerr	17	3-4	0-0	1-1	0	1	7
Buechler	1	0-0	0-0	0-0	0	0	0
Wennington	2	0-0	0-0	0-0	0	0	0
Brown	5	0-1	0-0	0-0	0	2	0
Totals	240	31-78	16-20	24-51	20	15	87

Seattle	16	28	28	17—75
Chicago	24	21	22	20—87

3-point goals—Seattle 5-24, (Payton 3-5, Schrempf 2-5, McMillan 0-1, Brickowski 0-2, Hawkins 0-4, Perkins 0-7), Chicago 9-25, .360 (Pippen 3-7, Harper 2-5, Kukoc 2-7, Kerr 1-2, Jordan 1-3, Brown 0-1). Technicals—Payton, Harper. (Chicago wins series 4-2)

Brian Bahr/Agence France-Presse
Michael Jordan rebounding over Sonics' Shawn Kemp.

He's a Rebel and a Weirdo

But Most of All, Rodman Is a Ball Player

Washington Post Service

Basketball/MICHAEL WILBON

CHICAGO — We've called Dennis Rodman everything but a ball player this year. We've called him a lunatic, a troublemaker, an instigator, a rebel, a cross-dresser, a misfit, an oddball, a weirdo and an absolute wacko. We've even called him the supreme rebounder and a defensive specialist, but that's still inadequate.

Whatever else he is, whether his hair is red or gold, whether he's dressed like a man or a woman, whether he's on the town with Madonna or Cindy Crawford, Dennis Rodman is a ball player, a great ball player.

With about 8 million people ready to jump all at once from the ledge after the Seattle SuperSonics pushed the Chicago Bulls further than anybody thought possible, it wasn't Michael Jordan or Scottie Pippen who carried the team to a championship, it was Rodman, The Worm.

Oh sure, Pippen was back in all-star form Sunday night with 17 points, 8 rebounds, 5 assists and 4 steals.

And the record will show that Jordan was voted the NBA finals most valuable player for the fourth time, probably because he scored a team-high 22 points, grabbed 9 rebounds, had 7 assists, and was the driving force every moment of every day this season.

But Chicago's Dream Team Poster Boyz aren't the story of the Bulls' fourth championship in six years.

The story, the whole story and nothing but the story is Rodman, the player people thought Jerry Krause, the Bulls' general manager, was crazy to trade for before the season.

"A lot of people thought I'd come in here and tear this organization apart," Rodman said.

What he did in Game 6 was tear the Seattle SuperSonics apart with 19 rebounds, 5 assist, 3 steals — extraordinary energy for a 35-year-old — a blocked shot and no turnovers in 38 minutes. No turnovers.

Of the 14 players who were on the floor for significant minutes, Rodman was the only one with no turnovers.

"You can call me a lot of stuff," he said, "but the one thing I am is a competitor, a fighter."

Boy, was that evident in the final 15 minutes, when Jordan was having the worst-shooting big game — 5 for 18 — anybody could remember, and when the courageous, one-legged Ron Harper needed somebody, anybody, to pitch in.

With the Bulls leading by 10 points, but with the game still tight, Rodman grabbed a missed shot and scored for 59-47. Then he took a nice pass from Pippen, scored despite Shawn Kemp hanging on him and completed the three-point play for 62-47.

From rebounder and scorer, Rodman went to set-up man as he fired a perfect pass to Jordan for the reverse lay-up that made it 64-47.

Everybody had spurts for Chicago. Harper early on defense and late on three-pointers; Jordan very early on the boards and at the foul line; Pippen early with previously absent drives to the basket; Toni Kukoc and Steve Kerr early in the fourth quarter with three point daggers every time Seattle tried to put together a little run.

But Rodman was there the whole time, every minute, controlling or contesting every rebound and loose ball, getting the now-fabulous Kemp into foul trouble, which eventually disqualified him with 4:39 left.

JORDAN would miss, Rodman would rebound. Pippen would miss, Rodman would rebound, Harper and Kerr and Kukoc would miss, Rodman would rebound. Seattle would miss, Rodman would rebound. This is the way, the only way, you can shoot 39.7 percent and win an NBA title.

You want reviews?

Teammate Luc Longley: "I thought Dennis did everything to win the MVP. He was sensational. Without him, there's no doubt we wouldn't have won tonight."

Seattle's coach, George Karl: "Dennis Rodman won them two ball games in this series. Game 2 and tonight, he was the reason they were successful.

"We controlled Michael Jordan for the most part in the series. We put him on the foul line a lot" — where he was 11 for 12 on Sunday night — "but without that he had a pretty mediocre game."

The Bulls' coach, Phil Jackson: "It seems like we always got the ball back. Control of the ball was the factor in this game."

You know who controls the ball, don't you? Rodman. The Bulls out-rebounded Seattle 51-35.

"The last four years," Rodman said, referring to his troubled days in Detroit and San Antonio. "I'd like to thank the city of Chicago for having me."

It was as special a night for "the supporting cast" as the Bulls have ever had during the Jordan era.

"Our team deserves a bow, a hats off," Pippen said.

Or as Jordan said, "I'm happy the team kind of pulled me through."

Abbott Loses 8th Start as Angels Fall to Blue Jays

The Associated Press

Jim Abbott's slump continued Sunday as the California Angels fell to the Toronto Blue Jays, 6-4. California had won seven in row, rallying from behind each time.

Even two home runs by Tim Salmon could not save California. Joe Carter and

BASEBALL ROUNDUP

Ed Sprague hit two-run homers off Abbott, and the Angels did not recover.

Abbott dropped to 1-10 with a 7.67 earned-run average He is winless in eight starts,after allowing eight hits and five runs in 5⅓ innings. Abbott also remained winless in 13 home starts since the Angels reacquired him in a trade with the Chicago White Sox last July 27.

Carter homered for the third time in three games, hitting his 16th home run in the first inning. Sprague hit his 17th home run for a 5-1 Toronto lead in the sixth.

Yankees 5, Indians 4 Andy Pettitte won his fifth straight start and New York salvaged a four-game split with Cleveland in a meeting of division leaders at Yankee Stadium. Bernie Williams had four hits and Tino Martinez drove in three runs.

Mariners 7, White Sox 6 Edgar Martinez hit two more doubles and drove in four runs as Seattle won at home. Martinez leads the majors with 36 doubles.

Athletics 10, Brewers 9 Mark McGwire, with 790 runs-batted-in, overtook Sal Bando, the Milwaukee general manager, to become Oakland's career RBI leader with a double that keyed a three-run rally in the ninth inning in Milwaukee.

Orioles 12, Royals 5 Brady Anderson hit two home runs and drove in five runs for the visitors.

Giants 8, Astros 7 Barry Bonds, the San Francisco center fielder, kept the game tied when he robbed Houston's Rick Wilkins of a home run in the ninth.

Rockies 11, Phillies 3 Host Colorado pulled within a half-game of the Padres and Dodgers by winning its sixth straight as Kevin Ritz shut down a depleted Philadelphia lineup for seven innings.

Cardinals 5, Mets 4 One day after injuring his hip and hamstring banging into the right-field wall making a running catch, Brian Jordan doubled home two runs as a pinch hitter in the eighth inning as host St. Louis rallied after wasting a 3-0 lead.

In games reported in some editions Monday:

Cubs 8, Padres 4 San Diego, which had been alone in first place in the Western Division since the first week of the season, dropped into a tie with Los Angeles after losing to Chicago.

Dodgers 3, Braves 2 Los Angeles moved into a tie for first with its seventh victory in 10 games. The game was halted for 34 minutes in the ninth inning because of rain.

Reds 7, Expos 0 In Cincinnati, Roger Salkeld pitched a four-hitter for his first career shutout and Reggie Sanders had three hits as Cincinnati ended a six-game losing streak.

Marlins 4, Pirates 2 Devon White's leadoff homer in the seventh ricocheted off the fifth-level facade in left field — the 13th upper-deck homer in Three Rivers Stadium's 26-year history.

Red Sox 10, Rangers 1 Reggie Jefferson hit a three-run homer with no outs in the bottom of the ninth inning Sunday, rallying Boston past the Rangers. The Red Sox trailed 9-3 in the seventh.

Twins 4, Tigers 1 In Minneapolis, Rick Aguilera gave up only four hits and won his first game as a starter since 1989 as Minnesota beat Detroit.

Mel Allen, Yankees' 'Voice,' Dies

By Richard Sandomir
New York Times Service

Mel Allen, the exuberant Alabaman who turned "How about that!" and "Ballantine Blast" into common parlance during a glorious reign as the voice of the New York Yankees, died Sunday at his home in Greenwich, Connecticut, sometime after watching the Yankees' game against the Cleveland Indians, his sister, Esther Kaufman, said. He was 83.

Allen, who had open heart surgery seven years ago, had been ill over the past year. "But he was rallying and planning to go back to work," said Mrs. Kaufman, who had lived with her brother since 1977. The cause of death had not been determined.

Educated as a lawyer, Allen called Yankees games on radio and then on television from 1939 to 1964 — from the last days of Lou Gehrig to the last gasp of the Yankee empire. He welcomed listeners with his trademark greeting: "Hello, everybody, this is Mel Allen!"

His garrulous, infectious style bonded him to fans, but made Yankee haters loathe the team more. He did not think of himself as a Yankee booster, but he became as intimately identified with the team's fortunes as almost any player.

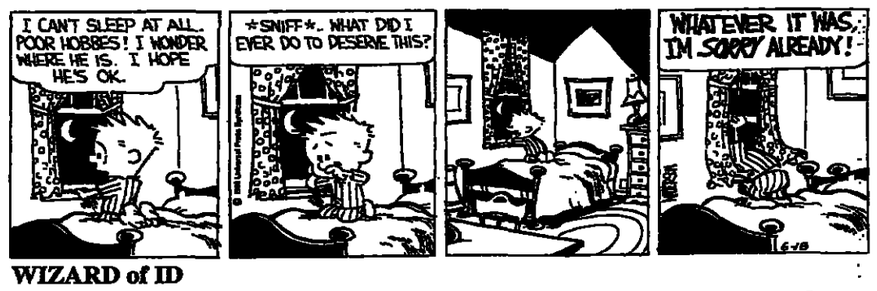
Allen's voice, distinctly southern but a perfect fit for the Bronx, became synonymous with baseball's rhythms, its lazy summer afternoons, chilly Octobers and shadows creeping over Yankee Stadium's greensward.

"That voice — there'll never be another like him," said the Yankees' broadcaster Phil Rizzuto. In all, Allen called 20 World Series and 24 All-Star Games.

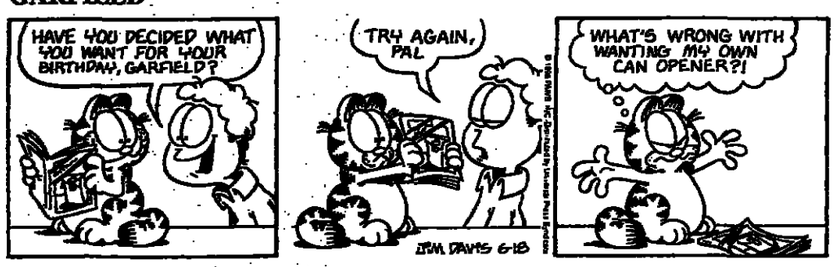
DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES



GARFIELD



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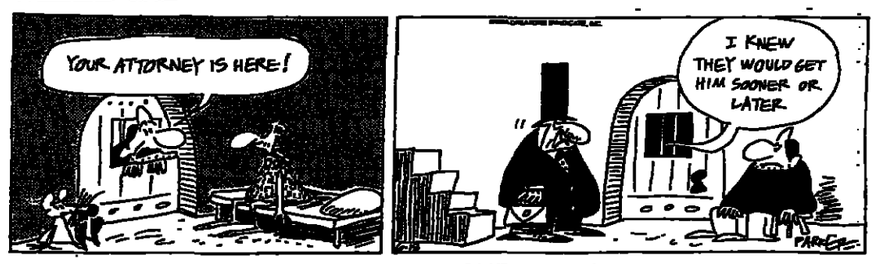
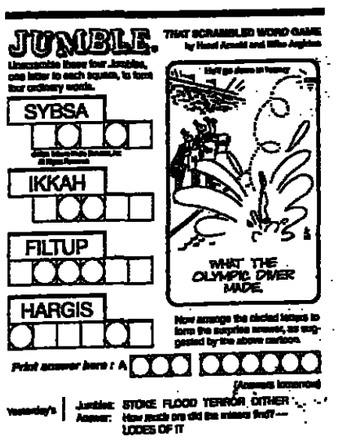


JUMBLE



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here : A

(Answers tomorrow)

Yesterday's Jumbles: STOKE FLOOD TERROR DITHER
Answer: How Jacob ate old Esau missed first! — LODES OF IT

BEETLE BAILEY

THE FAR SIDE

"Egad! Willard's home early! Don't move — his vision's not very good, but his sense of smell and hearing are quite acute."

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ART BUCHWALD

Upping the Ante

WASHINGTON — The race for the hearts and minds of the American voter started in earnest when President Clinton announced that, if re-elected, he would ensure that parents of all college students receive a $1,500-a-year tax break.

Buchwald

Bob Dole shot back that the Republicans had the idea first, and Clinton had plagiarized it. Dole promised that if he is the next president every college student will receive a master's degree with a gift of $10,000 upon graduation.

Clinton was urged by his advisors to "up the ante." He went on radio and told his audience that as part of a tax break he was going to allow all Americans to invest in a real-estate venture of their choice. He dubbed it the Arkansas Tax-Free Relief Program.

□

At a Pat Robertson prayer breakfast in Kansas, Dole quickly announced that every citizen would be entitled to as many heart bypass operations as he or she wanted — free of charge. He called his program the GOP Open Heart Bill.

The White House said that Dole's offer did not make fiscal sense, and Clinton proposed that the government pay off everyone's mortgage up to, and including, $150,000.

As you might have guessed there were howls of protest from the Dole headquarters. A spokesperson said, "If Dole becomes president he will call for a 50 percent income-tax reduction, which will balance the budget in seven years. Also, those people making more than $500,000 will be entitled to deduct their summer homes in Easthampton as a business expense."

□

The country was waiting to see if Clinton would match it. He did. He ordered security personnel from the Federal Aviation Administration to allow all registered voters to fly free on any airline and to receive an upgrade if their luggage was lost in Denver.

Dole was not ready to throw in the towel. He vowed that the day he was sworn in he would make an additional 50 percent reduction in the tax rate, making the cut a full 100 percent. To cover the budget shortfall, he would add a 25 percent surtax on the pets of welfare recipients.

In a press conference on his way to Russia, President Clinton revealed that Boris Yeltsin took a billion dollars out of his country's treasury and spread it around before the election. While Clinton did not support all of Yeltsin's economic theories, the U.S. president thought that this particular plan had a great deal of merit and he intended to adopt it.

Dole cried foul, but it was futile. After announcing the Yeltsin-style giveaway, President Clinton jumped another 20 points in the polls.

Chocolate vs. Cigarettes

The Associated Press

PARIS — Subway smokers are getting a sweet hint to snuff out their cigarettes — little chocolates, courtesy of the transit authority. Paris regional transit agents began handing out the candy in hopes of persuading smokers to wait until they're above ground to light up. Smoking is forbidden in the Métro, with violators subject to 100 franc ($20) fines.

No Higher Moon: Ella Fitzgerald's America

By Richard Harrington
Washington Post Service

From ballads to bebop, Ella Fitzgerald could sing it or swing it.

WASHINGTON — No moon was higher, no ocean deeper, than when Ella Fitzgerald measured them. Mack the Knife was never sharper than in her hands, and Miss Otis's regrets were never more heartfelt than when Fitzgerald extended them.

Over the weekend, American popular song turned blue when Ella Fitzgerald died at the age of 79. She was not just a singer, of course, but The Singer, the best and most loyal friend a good song could ever hope to have. It was Fitzgerald who almost single-handedly elevated the American popular song to the status of art. In the process, she helped define jazz as "America's classical music."

Modest and shy despite her fame and achievement, Fitzgerald was an intensely private person who somehow remained out of the public eye even as she was omnipresent in the public ear. Beloved by fans, fellow musicians and critics around the world for almost 60 years, she was one of the few artists able to balance popular music and jazz without sacrificing the essential qualities that make each distinctive. From ballads to bebop, Fitzgerald could sing it or swing it with a grace and vitality that set her apart from the handful of other seminal singers of the 20th century.

In 1957, Duke Ellington composed a musical "Portrait of Ella Fitzgerald" that included movements titled "All Heart" and "Beyond Category." Both descriptions were accurate, deserved and uncontested, as was the veneration and love that flooded Fitzgerald from around the world. The acclaim was as long-standing as her gift for song, and Fitzgerald was so consistent for so long that her best qualities — warm vocal elegance, youthful vitality, infallible pitch, an impeccable sense of rhythm — eventually were taken for granted.

Fitzgerald will best be remembered for the landmark series of songbooks in which she explored and championed the work of the American composers and lyricists Cole Porter, Duke Ellington, George and Ira Gershwin, Rodgers and Hart, Irving Berlin, Jerome Kern, Harold Arlen and Johnny Mercer. She gave their songs simple, straightforward readings devoid of the embellishments and mannerisms many jazz singers inflicted on such material. As one critic noted, Ellington, Gershwin et al., were the architects of popular song, and Fitzgerald came to inhabit their work, not to renovate.

Richard Rodgers praised Fitzgerald's "intimacy, naturalness and realism — she portrays the songs, she does not betray them." Ira Gershwin went even further, admitting, "I never knew how good our songs were until I heard Ella Fitzgerald sing them."

Beyond her impeccable taste, Fitzgerald had all the right tools: a three-octave-plus voice that was silvery smooth and flexible in its flights from smoky alto to keening soprano. She had an instinct for the most expressive note, and could find it even in the heat of improvisation.

Fitzgerald was not without her critics, who slammed her for not investing her material with the naked emotional pain of Holiday, Frank Sinatra or Judy Garland, or the festering anger of Sarah Vaughan and Carmen McRae. They claimed Fitzgerald never understood, much less revealed, the deeper meaning of the lyrics she sang, that she seldom addressed "the dark stuff."

In truth, there was no need for Fitzgerald to take that journey, though she suffered the blues of loneliness for much of her long life. She was never as tempestuous as Vaughan or McRae, never as self-destructive as Holiday, and so she could treat her material as art, not autobiography. Many composers loved her for her discipline and classicism. Yet there were always pleasure and compassion in her singing — and a measure of hope.

Her very first review, by George T. Simon in the May 1935 issue of Metronome, predicted that "Miss Fitzgerald should go places." Another review from that period noted that "her voice is seemingly tinged with honey, and she sings with a rhythmic tempo that puts her over with a bang." Fitzgerald was all of 17 at the time.

She started her recording career with Decca in 1935 — her catalogue now contains more than 250 titles — and achieved mass popularity three years later with "A-Tisket, A-Tasket," a sweetly rambunctious update on the old children's rhyme. It became one of the biggest hits of the time, selling more than a million copies (Fitzgerald's only million-seller, incidentally).

Fitzgerald also scored in 1936 with "(If You Can't Sing It) You'll Have to Swing It," better known as "Mr. Paganini." It became one of her signature songs, but Decca had little imagination and saddled her with pop ditties and novelty tunes, clearly hoping to repeat the success of "A-Tisket, A-Tasket." Those hopes were never realized, even after Fitzgerald spent a few years fronting Webb's band — renamed Ella Fitzgerald and Her Famous Orchestra — after Webb's death in 1939.

Though her 20-year recording career with Decca was disappointing, Fitzgerald continued to make a name for herself through live performances, where she had more control over both material and musical setting. In the '40s, she first hooked up with jazz entrepreneur Norman Granz, who added her to his crucial Jazz at the Philharmonic concert series and encouraged collaborations with Ellington, Basie and, later, Armstrong and Sinatra.

It was during the '40s — the early days of bebop — that Fitzgerald perfected what came to be known as scat singing, improvising wordlessly (and often with nonsensical syllables) to simulate an instrumental solo. Fitzgerald, who once wished she had been born a tenor sax player, used her musical knowledge to match what she heard the horns doing.

From the start, Fitzgerald could swing and improvise better than any of her peers, and scat became one of her trademarks on songs like "Flying Home," "How High the Moon" and "Lady Be Good." Onstage, Fitzgerald was never a "guest vocalist" but one of the guys, taking her break with a voice instead of an instrument and not only keeping up but leading the charge, wowing musicians and audiences alike with her stamina and wit (folks loved Fitzgerald's interpolations of familiar melodies and other players' musical quirks).

Recording justice was finally achieved in 1955 when Granz was able to extricate Fitzgerald from her Decca contract. He started Verve Records specifically for her and issued not only the songbooks but a steady stream of studio and concert recordings that better reflected the singer's strengths and passions. The eight songbooks issued between 1956 and 1964 remain the essential canon of American popular song.

She sang the standards and set the standards and her achievement will never be surpassed.

In the last years of her career, Fitzgerald was often led onto the stage to her seat, which always prompted standing ovations. With typical humor, she'd express her appreciation, adding, "I hope you feel that way when I finish." People did, and people will.

To quote one of your own standards, Ella, there will never be another you.

Pavel Gorshkov/Reuters
SMILE, COMRADES — David Bowie snapping a photo of reporters in Moscow on Monday. He is giving a concert Tuesday in the Kremlin.

PEOPLE

DESCENDANTS of the **Lehman** brothers who emigrated from Germany to the United States in 1844 gathered Monday in their ancestral German town with city officials to open a permanent exhibition of local Jewish history. "Bringing with them little more than their wits, energy and belief in the 'American Dream,' members of the Lehman family emigrated to the United States more than 150 years ago," **President Bill Clinton** said in a letter read at the ceremony in Rimpar, a Bavarian market town. "Family members have found success in America and have helped to shape its destiny." The family includes founders of the Lehman Brothers investment firm; **Herbert Lehman**, a former New York governor; **Edgar Bronfman**, head of the Seagrams company, and **Robert Morgenthau**, Manhattan district attorney.

□

The family of **Martin Luther King Jr.** says it has begun plans on the million-dollar interactive museum that caused a rift last year with the National Park Service. The King Dream Center in Atlanta will highlight King's life through computer holograms, video, sound and theatrics. "This will be a very high-tech, virtual reality, multimedia experience," **Dexter Scott King**, son of the slain civil rights leader, told the Atlanta Journal and Constitution.

□

Chancellor Helmut Kohl of Germany has turned down membership in an organization for his obese countrymen. Set up seven months ago, Dicke (Fat) has been looking for a heavyweight personality to help it combat discrimination against the obese. But leaders of the group said after a national meeting that Kohl — who describes his weight as a state secret — had politely declined to join the group.

□

Time magazine says **Courtney Love** is one of America's most influential people but her old school in New Zealand is not impressed. "It would be fair to say we didn't know of her existence until her rise to fame," said **Alison McAlpine**, principal of Nelson College for Girls, one of New Zealand's most prestigious schools. Love, the flamboyant lead singer of the rock band Hole, told the audience at a 1995 concert in New Zealand that her time at the school had "screwed her up."

□

The Internal Revenue Service says that **Frank Gehry's** California architectural firm owes close to $1 million in fines and back taxes. The IRS hit Frank O. Gehry & Associates with a tax-deficiency notice, alleging that Gehry awarded himself "unreasonable compensation" in 1992 and 1993. "If I owe them money, we'll figure it out," said Gehry, who was named by Time magazine last week as one of the 25 most influential Americans.

□

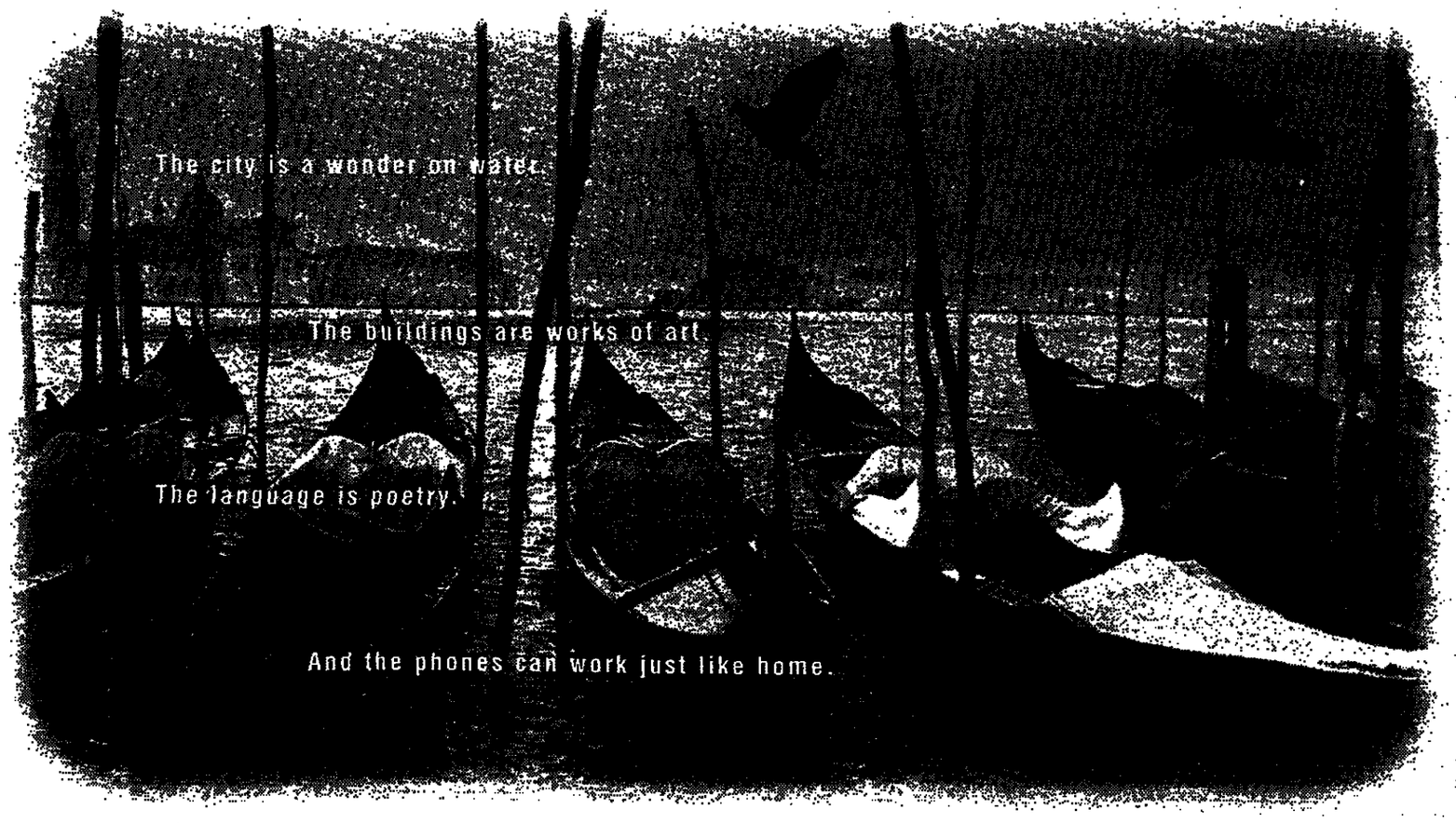
Dame Catherine Cookson, best-selling author of scores of novels about working-class life in Victorian England, has received a 90th birthday tribute from Newcastle Univeristy. Dame Catherine, whose birthday is Thursday, was born in poverty in northeast England and worked as a laundress. At the age of 40, she began writing the novels about 19th-century northern England that have made her one of the country's most popular writers. She has given much of her fortune to charity.

□

Heather McCartney, 33, says she learned the key to success from her adoptive father, **Paul McCartney**, and that it amounted to hard work. "People thought the **Beatles** were fun people, always having a giggle," she said. "Actually, they worked beyond all comprehension." Heather, the eldest daughter of **Linda McCartney**, was in New York to make plans for an exhibit of her work as a ceramic artist.

□

Former **King Simeon** has said farewell to Bulgaria — for now. "I will return as soon as possible," said the ex-monarch, who attracted cheering crowds across the country during a three-week visit. Simeon, who turned 59 on Sunday, left Sofia for Madrid, his home-in-exile for the past 50 years.



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